

Company no: 3981052

Charity no: 1080418

# Quartet Community Foundation

## Report and Audited Financial Statements

31 March 2023

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**Company number** 3981052

**Charity number** 1080418

**Status** The Charity is registered as an Environmental Body - number 689972  
The Charity is registered for VAT - number 752791703

**Registered office  
and operational  
address** Royal Oak House  
Royal Oak Avenue  
Bristol  
BS1 4GB

**Trustees** Trustees, who are also Directors under company law, who served during  
the year and up to the date of this report were as follows:

Sue Mountstevens OBE, Chair of Trustees and Philanthropy & Marketing  
Committee

Nick Lee, Deputy Chair of Trustees

Jonathon Baker

Saida Bello (joined Dec 2022)

Sue Blatchford, Chair Finance & Investment Committee

Matthew Crossman (joined Sept 2022)

Oliver Delany OBE, Chair Governance Committee

Caroline Hagen (joined Sept 22)

Annie Kilvington (retired Sept 2022)

Matthew Lee

Chris Johnson

Raj Kakar-Clayton

Kristen Pye (joined Sept 2022)

Junior Sheikh

Ben Silvey, Chair Programmes Committee

Jo Turner

**Patrons** The Lord-Lieutenant of the City and County of Bristol, Peaches Golding  
OBE

The Lord-Lieutenant of Somerset, Annie Maw (up to Oct 2022)

The Lord-Lieutenant of Somerset, Mohammed Saddiq (from Oct 2022)

**President** Trevor Smallwood OBE DL

**Vice Presidents** Will Bee  
Gillian Camm DL  
Chris Curling  
Geoff Matthews  
Mary Prior CVO MBE  
Professor Murray Stewart  
Sir James Tidmarsh KCVO MBE JP  
Lady Paula Wills

**Principal Officers** Suzanne Rolt, Chief Executive  
Ronnie Brown, Philanthropy Director  
Sarah Crispin, Head of Finance  
Diane Kent, Head of Operations and Company Secretary

**Bankers** Bank of Scotland  
Glass House, Cabot Circus  
Bristol. BS1 3BX

**Investment  
managers** Rathbones  
8 Finsbury Circus  
London, EC2N 7AZ

CCLA  
80 Cheapside  
London, EC2V 6DZ

**Legal advisors** Osborne Clarke  
2 Temple Back East  
Temple Quay  
Bristol, BS1 6EG

Veale Wasbrough Vizards  
Narrow Quay House, Narrow Quay  
Bristol, BS1 4QA

**Independent  
Auditors** Bishop Fleming  
10 Temple Back  
Bristol, BS1 6FL

## **Structure, Governance & Management**

### **Structure**

Quartet Community Foundation (QCF) is the community foundation for the West of England. We exist to champion local philanthropy and place-based giving. Our model centres on building our endowment fund, an independent resource, to support our communities long into the future.

QCF was incorporated in April 2000 as a company limited by guarantee and registered as a charity with the Charity Commission. It is governed by its Memorandum and Articles of Association, which set out the charitable objects of the Foundation and powers of the Board, its governing body.

The Board has up to 15 Directors. The Directors are also the charity's Trustees for the purposes of charity law and are generally referred to as the Trustees. The latter are also the sole Members of QCF. The liability of the Members for the debts and liabilities of the company is limited and in the event of the company being wound up would not exceed £1 per Member. The Trustees have no beneficial interest in the charity.

Trustees are elected for a maximum of two consecutive three-year terms. In special circumstances, and to meet the needs of the organisation, appointments may, at the discretion of the Board, be further extended.

In line with the seven principles of the Charity Commission's Charity Governance Code, the Board provides strategic leadership and ensures that Quartet's charitable aims are being delivered in an effective and sustainable way. It has ultimate responsibility for the conduct and financial stability of QCF and for ensuring that there are effective processes in place around grant making, decision-making, risk and control. The Board annually elects a Chair and Deputy Chair and meets four times a year with the Chief Executive Officer (CEO) and senior staff in attendance. It also meets annually for an Away Day to review and refresh strategy.

The Board delegates activity and authority to four Committees: Governance; Finance & Investments; Philanthropy, Marketing & Growth; and Programme. They meet three to four times a year and are guided by Terms of Reference and clearly defined delegated authorities and areas of responsibility. The committees are all supported by a volunteer membership with relevant expertise but no formal responsibility for the management of the charity. Decisions and recommendations made by Committees go to the Board for approval. The Board also

appoints Grant panels, made up of trustees, volunteer members and executive staff, to inform the decision-making process around individual grant programmes. The Grant panels have a delegated authority to make grants of a maximum individual value of £999. All grant awards in excess of that figure, other than those directed by fund holders, have to be ratified by the Board.

Patrons, Presidents and Vice Presidents are appointed in recognition of their outstanding contribution both to QCF and to the local community. These are honorary positions with no formal duties or responsibilities. We are very grateful for their continued support and advocacy.

QCF is a member of UK Community Foundations (UKCF). UKCF supports and promotes good practice amongst UK community foundations and manages a formal accreditation process every three years. On occasion QCF manages funding programmes on contract from UKCF but it is not subject to any governance arrangements or responsibilities.

## **Governance**

Our trustees are drawn from a wide variety of walks of life and from across our communities. QCF is committed to ensuring that we have the representation on our Board and in our committees that reflects the constituency we support. Moreover, there is the requisite level of skills, knowledge and experience. The skills and protected characteristics of our trustees are recorded and updated through an annual audit which helps to identify gaps in knowledge and representation. Trustees are then recruited through an open application and interview process.

On joining the Board, trustees are expected to work as part of an effective team and to conduct themselves according to the values of QCF; this includes a commitment to equality, diversity and inclusion and to openness and accountability.

To this end, the Governance Committee oversees a structured programme of trustee professional development that begins with trustee induction. On appointment, new trustees meet with the CEO and Senior Management Team in order to understand the history, working practices and organisational procedures. New trustees are given access to a comprehensive pack of information, including key policies and documents and a current Business Plan, a bespoke guide entitled '*What to Expect as a QCF Trustee*', as well as referral to '*The Essential Trustee Guide*' published by the Charity Commission. Trustees have the opportunity to be paired with a trustee colleague in a 'buddy' style system. All trustees are encouraged and to make visits to local organisations in order to learn more about QCF's work and the impact of our grant making activity.

The Board provides strategic oversight and direction; it agrees an annual operating budget, annual organisational objectives, and monitors performance within agreed targets and considers risk. All operational matters including the day to day running of QCF is delegated to the CEO and executive team.

At the end of 2022/23 we had 23 staff (equating to 19 FTE staff). Four new staff joined as part of our Philanthropy, Finance and Marketing teams during 2022/23. In March 2023 our long-standing Head of Operations, Diane Kent, retired and a recruitment campaign was launched to appoint her successor.

### ***Our Vision***

Our vision is of a West of England where local communities are well resourced, confident and strong, and where community and voluntary sector groups can respond to the needs and aspirations of all who live there, now and far into the future.

### ***Our Mission***

We seek to inspire people through philanthropy to help transform our local communities so that they become fairer, greener and a place for all to thrive. We do this by:

- Encouraging local giving and providing tailored philanthropy services for donors including the public sector;
- Investing in local communities through year-round grant programmes and the brokering of pro-bono professional services for the voluntary sector; and
- Fostering civic collaboration and using our influence to shine a light on the most pressing issues of the day for the benefit of our communities and VCSE sector.

QCF works across four key areas: Bristol; Bath and North East Somerset; North Somerset and South Gloucestershire. We take a whole 'West of England' approach to our work, but we continue to be mindful of the four areas' particular needs and the importance of proportionate grant-making in each. While our office is based in central Bristol, we also have a satellite office and team members in Bath; this recognises the importance for Quartet of maintaining a prominent presence for its work across BANES and North Somerset

## **Charitable Objects**

### **Our charitable objects as set out in our Memorandum & Articles of Association are:**

- The promotion of any charitable purpose for the benefit of the community in the sub-region;
- In particular, the advancement of education, the protection of good health, both mental and physical, the relief of poverty and sickness and the provision of equipment in the interests of social welfare and for the public benefit of facilities for recreation or other leisure time occupation with the object of improving the conditions of life of persons for whom the facilities are intended and conservation of the environment for the benefit of the public;
- Other exclusive charitable purposes in the UK and elsewhere with a preference for those that are in the opinion of the Trustees beneficial to the community in the area of benefit.

### **We achieve our charitable objectives through:**

- Endowment & Revenue Funds: growing these as essential community assets in the immediate and long term, matching funds with community needs and priorities
- Grant Making: managing a year round programme of grants
- Civic Engagement: joining up activities wherever possible, shining a light on the most pressing issues of the day and convening and participating in discussions where we can add our experience and understanding of the local voluntary sector.

## **Endowment & Revenue Funds**

QCF provides a high quality, tailored philanthropy service for a wide range of individuals and organisations and is always seeking to promote the value of philanthropic giving as widely as possible. We have a Fund Development Plan, reviewed on an annual basis, that helps guides how we balance endowment building with immediate grant-making needs while expanding our future donor base.

We provide advice and guidance for anyone seeking to know more about local philanthropic giving during, or beyond, their lifetime. Once a commitment to setting up a Fund is made, either Endowment or Revenue, Quartet manages the respective funds in a flexible way that meets the needs and interests of the Fund holder.

While the financial support of philanthropists is vital to enable QCF to continue its work, we recognise that people can also give of their time, talents, knowledge and contacts. Our



ProHelp service connects business and people with local voluntary and community groups to share their skills, professional advice and services, and help to strengthen the vital services that they deliver for our local communities.

### **Grant making**

QCF makes grants to individuals, registered charities and organisations that can demonstrate that they have charitable purposes. Grants are primarily made within QCF's geographic areas of benefits; however, the charity may make grants anywhere in the UK and internationally, in accordance with its charitable aims. QCF strives to be as open and accessible as possible to local groups and organisations that need grant funding. A grant making policy is reviewed on a regular basis by the Programme Committee (most recently in May 2023) and sets out:

- The principles underlying Quartet's Grant making decisions;
- The principles governing assessment and award of grants; and
- How successful Grants are monitored.

### **Civic Engagement**

QCF exists to champion local philanthropy and to support the voluntary sector through thoughtful grant-making. This community approach gives us an important role to play in connecting people, sharing ideas and helping to create common agendas for positive change. We recognise that our own contributions are enhanced when the funding we distribute is aligned with wider initiatives in our area and with the resources of others. This requires an ongoing commitment to strong networks, expert knowledge and open collaboration.

### **Equality, Diversity & Inclusion**

Our Equality, Diversity and Inclusion (EDI) work is continuing to make progress and is now embedded into our committee and board structure, with each committee having a clear indication of actions needed. An internal EDI group, chaired by the CEO, meets on a monthly basis to review and refresh these actions and to foster an inclusive workplace.

We continue to work to the "9 Pillars" framework produced by the Association of Charitable Foundations, aimed at supporting grant-making foundations' work to strengthen diversity, equity and inclusion. This means we are committed, amongst other things to:

- Invest time and resources in understanding and defining equity, diversity and inclusion
- Have a diverse Trustee and staff team, both in terms of demographics and experience
- Reflect and implement EDI practices in our funding activities
- Express our EDI commitment, policies and practices publicly
- Use our own power to advocate for and advance EDI practices.

Safeguarding remains a significant concern not only for QCF but also for the organisations to which we give grants. We continue to review our organisational safeguarding practices, and have started a programme of safeguarding training for staff and trustees. We have reviewed and updated safeguarding in respect of our grant assessment work and the safeguarding evidence required by grant applicants.

### ***Climate Emergency***

QCF aims to help secure a better and more sustainable future for all and believes that a place-based model is an important way of achieving just this. In line with the Paris Agreement and the environmental goals set by the local authorities across the West of England, QCF is committed to the ambitious target of Net Zero in relation to all of its activities by 2030. Our ability to achieve this target will be driven by a series of both internal and external actions, the most challenging one relating to our responsible investment policy. We have begun to align our work with the Sustainable Development Goals, and we have been working towards playing a part in addressing Net Zero by exploring how we might best support local communities to reduce their carbon footprint.

### ***Complaint Management***

We maintain a register of Comments, Compliments and Complaints which is presented at every Board meeting. As in the previous year, we did not receive any complaints during the year about any aspect of our fundraising activities.

### ***Review of Year – Achievements, Performance & Significant Activities***

In early 2022, the Board, CEO and SMT met to look ahead and to plan its focus for the next three years. We explored levels of ambition for Quartet and agreed priorities that were adopted as part of a new Strategic Plan, the first year being 2022/23. The plan was created against the backdrop of the Covid pandemic but in advance of the emerging cost of living crisis. It, therefore, set grant making at a high level, continuing an upward trajectory of growth enabled by an extended period of low inflation and strong performance in terms of investment markets and our own invested funds. We focused our priorities, objectives and individual plans around the following areas and ambitions:

- Endowment Fund – To be here for the long term
- Philanthropy Services – To Help our donors to make a difference
- Equitable Grant Making – To be here for our communities
- Civic Collaboration, Research & Learning – To listen and to add our voice

As part of this approach, we also recognised the importance of Equity, Diversity and Inclusion in all that we do and, together with Climate Emergency & Action. We agreed to use these as lenses through which to plan and review all our work going forward.

During the past year we have experienced considerable volatility across investment markets and rising levels of inflation. We have seen how steep increases in food, fuel and utility costs have led to an increasing number of people struggling to meet their most basic needs and how this has in turn created a significant rise in demand for vital support provided by local community organisations and charities. These same organisations have struggled to increase or maintain their capacity just as charity donations have been falling and competition for grants has been increasing.

Our fund holders and supporters have been immensely generous in their giving over the past year. The cost of living crisis has served as the catalyst for some very significant revenue funds as well as for decisions by some of our most trusted and long-term fund holders to add to their funds. Last year 59 additions were made to existing funds, totalling over £4.3m. We received legacy donations in excess of £1 million and will receive further donations in 2023/24. We were able to establish a significant new revenue fund to support strategic work with the youth sector in Bristol, and existing fund holders also contributed £540k from their funds towards 69 cost of living themed grants.

Just as the pandemic opened up exceptional income streams that led to a step up in Quartet's grant making in 2021/22, the cost of living crisis has led to Quartet being in receipt of a significant revenue funding stream from Bristol One City over the past year. We have worked closely with them to direct £1.3m of grant support to 101 groups and charities. This was part of a wider strategy across all areas of our region which saw us responding quickly to help support solutions at a local level: in June 2022 we began directing grants towards frontline debt advice agencies; in September we moved on to distributing the Bristol One City funds to support a network of community hubs and a programme of social action grants; and by October we were supporting organisations working to alleviate food and fuel poverty.

Quartet has exceeded its targets in the first year of its strategic plan. In 2022/23, 12 new funds were established: 4 endowment funds and 8 revenue funds, spread across individual, charitable trusts, corporate and pooled funds. Total income for the year of £9.9m enabled an unprecedented £6.5m distribution through 1,206 individual grants. The average size of a grant was £5,750, which was a reduction as compared to the two previous years. This all necessitated a highly creditable rapid response from the executive team and an accelerated

programme of grant distribution. It also required an aligning of different sources of funding behind a strategic, proactive response to the cost of living crisis.

We have continued to be mindful of the strategic importance of making both larger grants and multi-year grants to Voluntary Community or Social Enterprise (VCSE) organisations. Also, to making grants which support capacity building, and smaller grants for more project-focused work.

Over the past year we have sought to further enhance the profile of local philanthropy by focusing our annual 'Vital Signs' report on the theme of '*Philanthropy in the West of England*'; this shared data highlighting the importance of local philanthropy and how it differs from support at a national level. It can be read alongside our Annual Report for 2021/22, '*Here Today, Here Tomorrow*'. Together, they provide an engaging and informative guide to Quartet's work for existing and potential new supporters as well as for the wider voluntary sector and people living and working in the West of England.

As in previous years, our staff and Trustees have participated in many key partnerships and been represented on committees of local Boards, all with the purpose of delivering clear strategic benefits not only to Quartet but to the stakeholders and communities we serve. These have included City Funds and City Lab, Bristol Local Food Fund and North Somerset Partnership Board. We have continued to develop opportunities for collaborative funding, including with Bristol Funders Group and Bristol Older People's Funding Alliance, and strategic collaborative work with the VCSE sector, including Youth Sector Development Fund, Bath 3SG and Bristol One City infrastructure funding.

Our Pro Bono brokerage programme, ProHelp, has continued to expand across all areas of our region and in 2022/23 it brokered professional volunteering time and expertise for 87 local voluntary sector organisations with 1,893 hours of professional volunteering time, of an estimated value of £172,730.

We have also worked closely with the High Sheriffs on both grant making and facilitating introductions to the charities who work across their historic counties.

### ***Future Plans and Objectives***

With each passing year, QCF has been steadily increasing the value of grant making that it makes across the West of England and its aspiration for the next year will be to sustain it at a level of at least £5m. This has been mirrored by significant growth in the value of funds held by

QCF. By the end of the financial year 2022/23, the Endowment Fund was standing at £59m, helping to create a sustainable financial base for our work in this financial year.

As a result of investment market volatility, the F&I Committee explored very carefully the likely impact on the distribution rate that Quartet makes available to fund holders. It was agreed that, given the strong performance in the past and the strength of Quartet's reserves, they would recommend keeping the distribution rate at 4.5%. The F&I Committee will continue to monitor stock market returns and, if it becomes necessary, draw down on Quartet core surpluses to maintain the distribution rate at 4.5%. This feels appropriate at a time of pronounced need in the voluntary sector.

We will continue to work towards achievement of our Theory of Change and to the priorities and objectives set out in a three-year strategic plan which was adopted by the organisation in 2022. As well as agreeing a new three-year Marketing & Communications Strategy in the coming year, we will be looking to make progress in relation to our EDI and Climate Emergency work. We will also seek to deliver some infrastructure projects around IT and the creation of a new CSM system.

Alongside our shorter-term commitments and goals, we began plans last year to invest in the future. A key area of planning is around identifying and attracting a new generation of fundholders, particularly from the local Tech and Creative Industries sectors and younger people set to benefit from intergenerational inherited wealth. This is long fuse work which has required research and relationship building, face to face meetings and the planning of special events as well as attendance by team members and Trustees at an increasing number of external events. We have also been mindful of the need to create the right conditions for this work, including the amplification of our voice which has been enabled by improved marketing and communications and by the strengthening of our organisational capability and capacity. All these actions have been captured in an updated Fund Development Plan and a closer working partnership between our Philanthropy and our Marketing teams and an expanded Philanthropy, Marketing & Growth Committee.

### ***Financial Review***

As indicated above, with the support of our philanthropic community, QCF had another exceptional year with income growing to £9.9m (£6.7m: 2020-21). This included £1.64m of new donations to the Endowment Fund which stood at a total value of £59.2m on 31 March 2023. The value had reached £60.2m in August but high levels of volatility in global markets and subsequent poor market performance in the second part of 2022 accounted for a decrease in its overall value. Unusually this year has seen an almost even split between

Endowment (45%) and Revenue (43%) income giving QCF 12% towards running costs. As a result, we covered our costs for the year and increased our associated reserves to almost £1.3m. This has allowed us to create a designated fund of £120k to protect our Total Return 4.5% in the face of ongoing turmoil in the investment markets. Self evidently, it has been a challenging year for the markets in the face of high inflation, regular increases in interest rates, uneven economic growth both home and abroad plus the Russian invasion of Ukraine.

QCF's grant making of £6.5m (£4.8m; 2021-22) was the highest in its history. This pronounced increase in the value of grant making was largely attributable to the cost-of-living crisis and to funds allocated by Bristol City Council, and directed through Quartet, to set up warm spaces across the city and to provide financial support for two large networks of service support. Elsewhere, QCF is acutely aware of stakeholder scrutiny and the need to contain core expenditure. However, increased activity has necessitated staff increase and high inflation has impacted upon all core costs. Prudent management has though ensured that overall expenditure only increased by 5% year on year.

As at 31 March 2023 QCF held £59.2m in total, split between permanent endowment of £6.8m and expendable endowment of £52.5m of which £9m of endowment funds which have been received under the Dormant Assets Scheme. These funds have come from bank and savings accounts which have been inactive for over 15 years. Should the owners of these funds come forward then those funds will have to be repaid to the institution concerned. The amount repaid in 2022/23 was £693k. Quartet holds within our £59.2m a total of £6.3m of donor directed funds – please see note 24 for further details.

### **Going Concern**

QCF trustees are satisfied that QCF is a going concern. QCF accounts indicate an operating surplus of 93.5% which is well within the range of our Reserves Policy which recommends that the charity should hold up to 9 months of operating costs.

In reaching this conclusion, we have made the following assumptions:

- QCF holds, as of 31<sup>st</sup> March 2023, endowment funds to the value of £59.2m. The annual levy from this amount covers 56.3% of associated 2023/24 budgetary expenditure.
- Interest on our cash deposit funds will provide approximately 18% of associated 2023/24 budgetary expenditure.
- Core income generated from incoming endowment donations and revenue grant programmes combined for 2023/24 has been budgeted at £368k. To date we have

received in total £2m, generating £190k core income which represents 51.5% of the total budgetary income for 2023/24.

The only other consideration affecting our going concern status relates to the possibility of a global stock market failure. While this would be damaging to our balance sheet and investment holdings, QCF would nonetheless be able to continue to operate within its reserves and through revaluations of its cost base.

### **Reserves**

As a general principle, QCF aims to retain a minimal balance of unrestricted funds. Accordingly, the reserves policy was reviewed during the year. Having assessed the attendant risks (such as the failure of investment markets to produce sufficient income, unexpected building costs or contractual commitments that would have to be met in the case of closure of the charity or the requirement to fund a new opportunity that might arise), the conclusion was to hold up to 9 months of operating costs. At the year end our free reserves were £1.1m, representing 90.5% of the original annual staffing and support costs,

### **Investment Policy**

Quartet holds a major investment portfolio of endowed funds. Together with revenue funds from statutory, individual and corporate sources, the investment returns fund our grant-making and make a significant contribution to our core costs. We view the investment market through a long-term lens, recognising that there will be periods of volatility that may erode our investment values. It can be difficult to predict income in any single year so QCF actively develops pipelines of philanthropic support for the medium as well as immediate term.

Fund performance rests with our investment managers, currently CCLA and Rathbones. It is the responsibility of our Finance & Investment Committee to monitor the performance of these funds against our investment policy and agreed benchmark and performance criteria. Within Quartet's investment policy we have our investment criteria which, states *'we will not invest in companies deemed to be 'ESG laggards' (as measured by investment managers' proprietary or third party ESG systems) unless there is good reason, and we expect the overall ESG rating of our portfolio to be better than that of the wider equity market. As well as broad ESG risk, we expect our investment managers to factor carbon, reputational and governance risk into there analysis.*

We will be conducting a review of our investment management in 2023/4.

The active challenge for the Board, in relation to its investment policy, is fulfilment of the stated ambition to reach Net Zero no later than 2050. There is the ubiquitous conflict between the

compulsion to maximize returns in the face of burgeoning need and the recognition that the imperative of climate change demands a proactive approach to investment that minimises our carbon footprint. The latter has the attendant impact, in the short term at least, of a decline in returns and our ability to support those seeking help. QCF's ability to resolve this dilemma is compounded by the necessity also to consider the diverse views of our fund holders.

However, having set the Net Zero in 2050 target, the Board recognises the compelling need to align that ambition with our investment policy and portfolio. Our investment managers have been given a clear mandate. This has involved as an evaluating our priorities in relation to investment reallocation -divestment, active ownership and supporting companies that provide climate change solutions. We continue to refine our baseline and markers against which performance can be measured. There is further work to be done with our stakeholders to ensure that all is aligned with our Net Zero ambitions.

### ***Remuneration policy***

Our fund holders and donors demand – and deserve – a thoroughly professional service, as efficient and reliable as the leading advisers with which they deal. We must therefore continue to invest in our staff to provide unrivalled philanthropy advice, grant-making and civic influence.

Trustees, who are all unpaid volunteers, set the overall pay and remuneration during the annual budget round, taking into account the drive to keep costs down, the extra work taken on by team members during the year and noting pay in comparable roles in the local area. The process for setting remuneration is the same for all staff, with pay set at the appropriate rate to attract and retain professional, dedicated staff. In addition the Governance Committee recommends to the Board the pay for any member of staff paid. The charity does not make any performance related payments. The staff pay award set in the 2023/4 budget was 6% and some further individual adjustments were made in addition to this.

Quartet offers a stakeholder pension scheme to staff and contributes 5% to this or direct to staff members' individual pensions. In addition we offer a NEST pension scheme to comply with the government's auto enrolment pensions legislation. During the year we continued to provide and contribute, on behalf of all staff, to an employee benefit scheme with HSF. We have this year embarked on a review of our pension arrangements, with any changes likely to come into play in 2024/25.



## **Risk Management**

Trustees actively manage the risks that the organisation faces and have systems and procedures in place to mitigate risks. The risk register is monitored at all Board and relevant sub-committee meetings. Our key risks continue to be:

- Fraud – due to fraudsters increasingly targeting charities during recent years, we continue to ensure we enhance our measures in place to mitigate against this and ongoing risk of fraud. Awareness of fraud has been heightened across the organisation. Staff training is in place to help identify fraud.
- Cyber crime (in all its forms) – Our measures in place to mitigate cyber crime are continually reviewed. We seek expert advice on steps to be taken, we have robust cyber insurance in place, and regular cyber awareness training is scheduled for all staff, trustees and committee members. We continue to work proactively with our IT contractor to look for ways to further develop our procedures and systems to mitigate the risks we have from cyber crime.
- Costs could outstrip income. This has been another extremely good year for income but nevertheless we continue to maintain close monitoring and control of costs, routinely reporting monthly management accounts including variance analysis to track any budget variance.
- Investment values fall significantly – resulting in less income for grant making and core support. Mitigated by close liaison with our investment managers and regular reviews of our distribution rate. Our work is funded by income from investing our permanent endowment funds as well as through the efficient management of the programme funding. To mitigate against the event of poor performance in any financial year we have tasked our investment managers to provide returns on a five-year rolling basis, providing stability in the income for our core activities and for much of our grant-making.
- Our reputation could be damaged in a variety of ways. The risk register, regularly reviewed by the Board and sub-committees as well as by the Senior Management Team, ensures that we take proactive steps to mitigate these risks.
- Our people – impact of socio-economic factors – we are mindful of the ‘unseen’ impacts still remaining from the pandemic and now the cost of living crisis are having on so many lives, as an employer we strive to support our team as well as we can. We

provide an employee health cash back scheme and an employee assistance programme to all staff, and support flexibility in work patterns to accommodate family commitments and encouraging a work-life balance.

Safeguarding remains a significant concern not only for QCF, but also for the organisations to which we give grants. We continue to review our organisational safeguarding practices, and have started a programme of safeguarding training for staff and trustees. We have reviewed and updated safeguarding in respect of our grant assessment work and the safeguarding evidence required by grant applicants.

### ***Public Benefit***

The trustees have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. In reviewing the charity's aims and activities, planning future activities and setting its grant making policy at its June 2022 meeting, the Board referred to Charity Commission guidance.

In the fulfilment of its purposes, as detailed above, QCF has provided a public benefit. Specifically, included amongst the 1206 grants made by QCF, is support given for the purposes of the following themes (with examples of 2022/23 grants):

#### ***The prevention and relief of poverty:***

- £4,908 from our Bath and West Community Energy programme to Southside Family Project for fuel debt advice and energy efficiency training for Southside Support Workers to help local families in fuel poverty to reduce their energy use, alongside the provision of energy-saving packs.
- £10,000 from our Catalyst programme to Centre for Sustainable Energy for targeted engagement and promotion of warm homes support for older people in Bristol, as well as advice to reduce energy costs and improve the warmth of homes.

#### ***The advancement of health:***

- £10,000 from our North Somerset Community Partnership programme to The Strawberry Line Café to develop and expand their range of cycling activities for vulnerable user groups in the local community and residents of North Somerset as a whole.
- £2,000 from our Express programme to The Nelson Trust to run a regular timetable of psycho-educational, group interventions for vulnerable women, both structured therapeutic and holistic groups, to improve emotional health and wellbeing

***The advancement of community development:***

- £25,000 from our Bristol City Council Cost of Living Community Hubs programme to 'Our Whitchurch and Hengrove Community Group'. This was towards employing a coordinator to administer the warm spaces hub and to support transport costs so isolated members of the community can access provision.
- £3,360 from our Express programme to Youth Connect South West towards a lunch club for older people, a parent and toddler group and community activities at the Southside Youth Hub

***The advancement of education:***

- £5,000 from our Express programme to the Islamic Information Centre for a training and careers programme for the community, targeting young people, those with limited English and those with little formal education.
- £5,000 from our Express programme to South Bristol Youth for the Discover Maths programme, supporting young people in South Bristol with confidence and engagement with Maths; improving their chances of success in both their GCSEs and in future employment.

***The advancement of arts, culture, heritage or science:***

- £5,000 from our Express programme to Friends of St Pauls Luxuriance for a programme of creative activities in East and Central Bristol primary schools during Black History Month.
- £9,300 from our Catalyst programme to Bristol Ensemble for delivering free classical music performances around Bristol on an open-top bus on the Jubilee weekend as well as performances in local schools the week after.

### ***Statement of Trustees' Responsibilities***

The trustees (who are also directors of QCF for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires QCF to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### ***Statements on disclosure of information to the auditors***

So far as each trustee is aware, there is no relevant audit information of which the company's auditors are unaware. Each trustee has taken all the steps (such as making enquires of other trustees and the auditors and any other steps required by the trustee's duty to exercise due care, skill and diligence) that they ought to have taken in this duty as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The members of the charity undertake to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

**Auditors**

At our 2022 AGM we were delighted to confirm the re-appointment of our auditors Bishop Fleming LLP

This report, was approved by the Trustees, in their capacity as company directors and signed on their behalf by:

**Sue Mountstevens**  
**Chair of Trustees**  
Quartet Community Foundation

Date:

## ***Independent Auditors' Report to the Members of Quartet Community Foundation***

### ***Opinion***

We have audited the financial statements of Quartet Community Foundation (the 'Charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2023 and of the Charity's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

### ***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Conclusions relating to going concern***

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

### ***Other information***

The members are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### ***Matters on which we are required to report by exception***

In the light of our knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report.

We have nothing to report in respect of the following matters in relation to which we to report to you if, in our opinion:

- the Charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### ***Responsibilities of members***

As explained more fully in the member's responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary

to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

### ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management and members in relation to their own identification and assessment of the risk of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation.
- we have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.



We have also obtained understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019, FRS 102 and the terms and conditions attaching to material grants and donations received by and made by the Charity.

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or avoid a material penalty.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of revenue, with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non-compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one-off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

***Use of our report***

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

***Joseph Scaife FCA DChA (Senior Statutory Auditor)***

for and on behalf of

***Bishop Fleming LLP***

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date:

**Quartet Community Foundation**

**Statement of financial activities**

**For the year ended 31 March 2023**

|   | Note  | Unrestricted<br>revenue<br>funds<br>£ | Restricted<br>revenue<br>funds<br>£ | Endowment<br>funds<br>£ | 2023 Total<br>£    | 2022 Total<br>£   |
|---|-------|---------------------------------------|-------------------------------------|-------------------------|--------------------|-------------------|
| <b>Income and endowments from:</b>                        |       |                                       |                                     |                         |                    |                   |
| <i>Donations and legacies</i>                             |       |                                       |                                     |                         |                    |                   |
| Donations and gifts                                       | 3     | 1,155,617                             | 4,097,554                           | 4,305,021               | <b>9,558,192</b>   | 6,441,454         |
| Gifts in kind   | 4     | 4,000                                 | -                                   | -                       | <b>4,000</b>       | 4,000             |
| <i>Other trading activities</i>                           |       |                                       |                                     |                         |                    |                   |
| Consultancy and other income                              |       | 21,067                                | -                                   | -                       | <b>21,067</b>      | 21,921            |
| <i>Investments</i>  |       |                                       |                                     |                         |                    |                   |
| Investment properties                                     | 5     | 34,241                                | 42,218                              | -                       | <b>76,459</b>      | 94,321            |
| Investment income   | 6     | 25,321                                | 253,007                             | -                       | <b>278,328</b>     | 194,800           |
| <b>Total income and endowments</b>                        |       | <b>1,240,246</b>                      | <b>4,392,779</b>                    | <b>4,305,021</b>        | <b>9,938,046</b>   | <b>6,756,496</b>  |
| <b>Expenditure on:</b>                                    |       |                                       |                                     |                         |                    |                   |
| <i>Raising funds</i>                                      |       |                                       |                                     |                         |                    |                   |
| Communications and publicity                              |       | 214,774                               | -                                   | -                       | <b>214,774</b>     | 133,812           |
| Consultancy   |       | 21,259                                | -                                   | -                       | <b>21,259</b>      | 22,340            |
| Community Leadership                                      |       | 19,134                                | -                                   | -                       | <b>19,134</b>      | 22,339            |
| Philanthropy services                                     |       | 250,869                               | -                                   | -                       | <b>250,869</b>     | 184,905           |
| City Funds  |       | 53,150                                | -                                   | -                       | <b>53,150</b>      | 57,032            |
| Fund development  |       | 71,034                                | -                                   | -                       | <b>71,034</b>      | 57,839            |
| Investment management costs                               |       | 19,136                                | -                                   | 133,333                 | <b>152,469</b>     | 145,795           |
| Investment properties                                     | 5     | 7,230                                 | 34,407                              | -                       | <b>41,637</b>      | 34,694            |
| <i>Charitable activities</i>                              |       |                                       |                                     |                         |                    |                   |
| Draw-downs  |       | -                                     | -                                   | 196,960                 | <b>196,960</b>     | 409,248           |
| Grants payable  | 11    | -                                     | 6,516,733                           | -                       | <b>6,516,733</b>   | 4,848,905         |
| Support costs of grants programme                         |       | 393,312                               | 183,300                             | -                       | <b>576,612</b>     | 734,182           |
| <b>Total expenditure</b>                                  | 7     | <b>1,049,898</b>                      | <b>6,734,440</b>                    | <b>330,293</b>          | <b>8,114,631</b>   | <b>6,651,091</b>  |
| <b>Net (expenditure) / income before gains and losses</b> |       | <b>190,348</b>                        | <b>(2,341,661)</b>                  | <b>3,974,728</b>        | <b>1,823,415</b>   | <b>105,405</b>    |
| Net gains on investments                                  | 13,14 | 20,354                                | 1,608,547                           | (4,758,084)             | <b>(3,129,183)</b> | 3,899,410         |
| <b>Net income</b>   |       | <b>210,702</b>                        | <b>(733,114)</b>                    | <b>(783,356)</b>        | <b>(1,305,768)</b> | <b>4,004,815</b>  |
| Transfers between funds                                   | 23    | 40,000                                | (24,400)                            | (15,600)                |                    | -                 |
| <b>Net movement in funds</b>                              | 8     | <b>250,702</b>                        | <b>(757,514)</b>                    | <b>(798,956)</b>        | <b>(1,305,768)</b> | <b>4,004,815</b>  |
| <b>Reconciliation of funds:</b>                           |       |                                       |                                     |                         |                    |                   |
| Total funds brought forward                               |       | 1,041,159                             | 5,230,490                           | 60,008,756              | <b>66,280,405</b>  | 62,275,590        |
| <b>Total funds carried forward</b>                        |       | <b>1,291,861</b>                      | <b>4,472,976</b>                    | <b>59,209,800</b>       | <b>64,974,637</b>  | <b>66,280,405</b> |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 24 and 25 to the financial statements.

## Quartet Community Foundation

### Balance sheet

As at 31 March 2023

|                                       | Note | £                | 2023<br>£         | 2022<br>£  |
|---------------------------------------|------|------------------|-------------------|------------|
| <b>Fixed assets</b>                   |      |                  |                   |            |
| Tangible fixed assets                 | 12   |                  | <b>197,198</b>    | 179,398    |
| Investments                           |      |                  |                   |            |
| Property                              | 13   |                  | <b>632,000</b>    | 664,000    |
| Other                                 | 14   |                  | <b>57,272,664</b> | 57,840,710 |
|                                       |      |                  | <b>58,101,862</b> | 58,684,108 |
| <b>Current assets</b>                 |      |                  |                   |            |
| Debtors                               | 15   | <b>1,430,667</b> |                   | 1,255,863  |
| Cash at bank and in hand              |      | <b>6,369,265</b> |                   | 7,279,738  |
|                                       |      | <b>7,799,932</b> |                   | 8,535,601  |
| <b>Liabilities</b>                    |      |                  |                   |            |
| Creditors: amounts falling due within | 16   | <b>(927,157)</b> |                   | (939,304)  |
| <b>Net current assets</b>             |      |                  |                   |            |
|                                       |      |                  | <b>6,872,775</b>  | 7,596,297  |
| <b>Net assets</b>                     |      |                  |                   |            |
|                                       | 18   |                  | <b>64,974,637</b> | 66,280,405 |
| <b>Funds</b>                          |      |                  |                   |            |
| <i>Capital funds</i>                  |      |                  |                   |            |
| Endowment funds                       | 24   |                  | <b>59,209,800</b> | 60,008,756 |
| <i>Revenue funds</i>                  |      |                  |                   |            |
| Restricted funds                      | 25   |                  | <b>4,472,976</b>  | 5,230,490  |
| Unrestricted funds                    |      |                  | <b>1,291,861</b>  | 1,041,159  |
| <b>Total charity funds</b>            |      |                  |                   |            |
|                                       |      |                  | <b>64,974,637</b> | 66,280,405 |

Approved by the trustees on (date) and signed on their behalf by

Sue Mountstevens - Chair of Trustees

Sue Blatchford - Trustee

## Quartet Community Foundation

### Summary income and expenditure account

For the year ended 31 March 2023

|   | <b>All income<br/>funds 2023</b> | funds 2022 |
|---|----------------------------------|------------|
|   | £                                | Total<br>£ |
| <b>Income from:</b>   |                                  |            |
| <i>Donations and legacies</i>                                       |                                  |            |
| Donations and gifts   | <b>5,253,171</b>                 | 4,803,059  |
| Gifts in kind   | <b>4,000</b>                     | 4,000      |
| <i>Other trading activities</i>                                     |                                  |            |
| Consultancy and other income  | <b>21,067</b>                    | 21,921     |
| <i>Investments</i>  |                                  |            |
| Investment properties   | <b>76,459</b>                    | 47,550     |
| Investment income   | <b>278,328</b>                   | 194,800    |
| Gains on investments  | <b>1,628,901</b>                 | 1,550,473  |
| <b>Gross income in the financial year</b>                           | <b>7,261,926</b>                 | 6,621,803  |
| <b>Expenditure on:</b>  |                                  |            |
| <i>Raising funds</i>  |                                  |            |
| Communications and publicity  | <b>214,774</b>                   | 133,812    |
| Consultancy   | <b>21,259</b>                    | 22,340     |
| Community Leadership  | <b>19,134</b>                    | 22,339     |
| Donor services  | <b>250,869</b>                   | 184,905    |
| Employer Engagement Project   | <b>53,150</b>                    | 57,032     |
| Fund development  | <b>71,034</b>                    | 57,839     |
| Investment management costs   | <b>19,136</b>                    | 10,157     |
| Investment properties   | <b>41,637</b>                    | 34,694     |
| <i>Charitable activities</i>  |                                  |            |
| Grants payable  | <b>6,516,733</b>                 | 4,848,905  |
| Support costs of grants<br>programme                                | <b>576,612</b>                   | 734,182    |
| <b>Gross expenditure in the financial year</b>                      | <b>7,784,338</b>                 | 6,106,205  |
| <b>Net (expenditure) / income before tax for the financial year</b> | <b>(522,412)</b>                 | 515,598    |
| Tax payable   | -                                | -          |
| <b>Net (expenditure) / income for the financial year</b>            | <b>(522,412)</b>                 | 515,598    |

The income and expenditure account is derived from the Statement of Financial Activities which, together with the accounting policies and notes, provides information of the movements during the year on all the funds of the Foundation.

## Quartet Community Foundation

### Statement of cash flows

For the year ended 31 March 2023

|  | Note | 2023<br>£                      | 2022<br>£                      |
|--|------|--------------------------------|--------------------------------|
| <b>Cash generated by operating activities:</b>           |      |                                |                                |
| <b>Net cash generated by operating activities</b>        | 23   | <b><u>(283,042)</u></b>        | <b><u>(727,833)</u></b>        |
| <b>Cash flows from investing activities:</b>             |      |                                |                                |
| Dividends, interest and rents from investments           |      | 354,787                        | 289,121                        |
| Purchase of tangible fixed assets                        |      | (39,300)                       | (16,183)                       |
| Proceeds from the sale of investments                    |      | 6,353,032                      | 6,380,991                      |
| Cash movement on investments                             |      | 48,350                         | 310,697                        |
| Purchase of investments                                  |      | <b><u>(7,344,300)</u></b>      | <b><u>(5,652,818)</u></b>      |
| <b>Net cash used by investing activities</b>             |      | <b><u>(627,431)</u></b>        | <b><u>1,311,808</u></b>        |
| <b>Increase in cash and cash equivalents in the year</b> |      | <b><u>(910,473)</u></b>        | <b><u>583,975</u></b>          |
| Cash and cash equivalents at the beginning of the year   |      | <b><u>7,279,738</u></b>        | <b><u>6,675,763</u></b>        |
| <b>Cash and cash equivalents at the end of the year</b>  |      | <b><u><u>6,369,265</u></u></b> | <b><u><u>7,279,738</u></u></b> |

## Quartet Community Foundation

### Notes to the financial statements

#### For the year ended 31 March 2023

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#### 1. General information

Quartet Community Foundation is a grant-making charitable company. It is part of a network of 46 quality accredited Community Foundations that match those who want to give money locally to charities and organisations that are working to improve local communities.

Quartet Community Foundation is a private company limited by guarantee and a registered charity. It is registered in England and Wales. The address of the registered office is Royal Oak House, Royal Oak Avenue, Bristol, BS1 4GB.

#### Statement of compliance

The financial statements of Quartet Community Foundation have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), the Charities SORP FRS 102 and the Companies Act 2006.

#### Summary of significant accounting policies

##### a) Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments and investment properties which have been measured at fair value through the profit and loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the charitable company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1 (o).

Quartet Community Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

##### b) Company status

The Charity is a company limited by guarantee. The members of the company are the trustees named on page 3. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

##### c) Funds accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes. However all general funds relating to grant giving have now been classified as restricted.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds are funds which are held on trust to be retained for the benefit of Quartet as a capital fund. Where the trustees must permanently maintain the whole of the fund it is referred to as permanent endowment and such a fund cannot normally be spent as if it were income. Where the trustees have a power of discretion to convert endowed capital into income, it is referred to as expendable endowment.

## **Quartet Community Foundation**

### **Notes to the financial statements**

#### **For the year ended 31 March 2023**

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##### **c) Funds accounting (continued)**

With the exception of the Community First endowment funds, the Charity's endowment funds are invested equally between CCLA Ethical Investment Fund and Rathbones, the Rathbones element is invested in a bespoke portfolio. In relation to these funds, the trustees operate a "informal total return" policy (capital growth and yield) and approve 4.5% to be transferred from the endowment fund to the grant making funds. Where the income yields fell short of 4.5%, a top-up was made by reducing the capital gains or increasing the capital losses (as appropriate) of the share portfolio.

The Community First endowment funds are held in a unitised investment fund managed by CCLA. CCLA in January 2018 have taken the decision to operate the Community First funds on a total return policy (Capital Growth and Yield). The remit of the fund is to achieve an income return of approximately 4% while still maintaining the capital value of the fund.

Investment income, gains and losses are allocated to the appropriate fund.

##### **d) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party. A corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Legacies are accounted for on a receivable basis. Pecuniary legacies are recognised following formal notification from the estate. Residuary legacies are recognised only when Quartet's interest can be measured, which is normally on grant of probate.

##### **e) Expenditure**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.



## Quartet Community Foundation

### Notes to the financial statements

#### For the year ended 31 March 2023

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Discretionary grants awarded within this financial year are shown as restricted expenditure - a change from previous years where shown as unrestricted expenditure.

All resources expended are inclusive of irrecoverable VAT.

#### **f) Allocation of support and governance costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. The basis of allocation of support and governance costs is shown in note 7.

#### **g) Going concern basis of accounting**

The Charity produces annual budgets which take into account expected changes in the funding streams and which demonstrate that the charity will be able to continue to operate. We have produced forecasts and cash flows to demonstrate to the trustees that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements were approved.

#### **h) Investments**

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

#### **i) Investment Properties**

Royal Oak House, is mixed use property which is primarily held for investment purposes but also provides head office accommodation for the charitable company. In line with FRS 102, the owner-occupied portion of the building is classified as a tangible fixed asset and the tenant-occupied portion is classified as an investment property. Depreciation is charged on the owner-occupied portion in line with the charitable company's accounting policy in note 1 (j). The investment portion of the property is not depreciated. A formal revaluation of Royal Oak House is undertaken annually by appointed commercial real estate advisors, currently appointed are Colliers International, and investment method of valuation used is Fair Value of the property.

#### **j) Tangible fixed assets and depreciation**

Expenditure on the acquisition, enhancement and installation of tangible fixed assets is capitalised and included in the balance sheet at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, on a monthly basis as follows:-

|                       |        |
|-----------------------|--------|
| Freehold buildings    | 2% pa  |
| Fixtures and fittings | 20% pa |
| Computer equipment    | 33% pa |

Fixed assets are capitalised if the cost exceeds £500 per item.

#### **k) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

## **Quartet Community Foundation**

### **Notes to the financial statements**

#### **For the year ended 31 March 2023**

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**l) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**m) Creditors**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**n) Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**o) Critical accounting judgements in applying the entity's accounting policies**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**p) Critical accounting estimates and assumptions**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Quartet Community Foundation**

**Notes to the financial statements**

**For the year ended 31 March 2023**

**2. Prior year comparatives**

|   | Unrestricted<br>revenue<br>funds<br>£ | Restricted<br>revenue<br>funds<br>£ | Endowment<br>funds<br>£ | 2022 Total<br>£  |
|---|---------------------------------------|-------------------------------------|-------------------------|------------------|
| <b>Income and endowments from:</b>                        |                                       |                                     |                         |                  |
| <i>Donations and legacies</i>                             |                                       |                                     |                         |                  |
| Donations and gifts                                       | 916,951                               | 3,886,108                           | 1,638,395               | 6,441,454        |
| Gifts in kind   | 4,000                                 | -                                   | -                       | 4,000            |
| <i>Other trading activities</i>                           |                                       |                                     |                         |                  |
| Consultancy and other income                              | 21,921                                | -                                   | -                       | 21,921           |
| <i>Investments</i>  |                                       |                                     |                         |                  |
| Investment properties                                     | 4,531                                 | 43,019                              | 46,771                  | 94,321           |
| Investment income   | 8,846                                 | 185,954                             | -                       | 194,800          |
| <b>Total income and endowments</b>                        | <b>956,249</b>                        | <b>4,115,081</b>                    | <b>1,685,166</b>        | <b>6,756,496</b> |
| <b>Expenditure on:</b>                                    |                                       |                                     |                         |                  |
| <i>Raising funds</i>                                      |                                       |                                     |                         |                  |
| Communications and publicity                              | 133,812                               | -                                   | -                       | 133,812          |
| Consultancy   | 22,340                                | -                                   | -                       | 22,340           |
| Community Leadership - New                                | 22,339                                | -                                   | -                       | 22,339           |
| Donor services  | 184,905                               | -                                   | -                       | 184,905          |
| Employer Engagement Project - New                         | 57,032                                | -                                   | -                       | 57,032           |
| Fund development  | 57,839                                | -                                   | -                       | 57,839           |
| Investment management costs                               | 10,157                                | -                                   | 135,638                 | 145,795          |
| Investment properties                                     | 16,372                                | 18,322                              | -                       | 34,694           |
| <i>Charitable activities</i>                              |                                       |                                     |                         |                  |
| Grants payable  | -                                     | 4,848,905                           | -                       | 4,848,905        |
| Draw-downs  | -                                     | -                                   | 409,248                 | 409,248          |
| Support costs of grants programme                         | 431,236                               | 302,946                             | -                       | 734,182          |
| <b>Total expenditure</b>                                  | <b>936,032</b>                        | <b>5,170,173</b>                    | <b>544,886</b>          | <b>6,651,091</b> |
| <b>Net (expenditure) / income before gains and losses</b> | <b>20,217</b>                         | <b>(1,055,092)</b>                  | <b>1,140,280</b>        | <b>105,405</b>   |
| Net gains on investments                                  | 21,302                                | 1,529,171                           | 2,348,937               | 3,899,410        |
| <b>Net income</b>   | <b>41,519</b>                         | <b>474,079</b>                      | <b>3,489,217</b>        | <b>4,004,815</b> |
| Transfers between funds                                   | -                                     | 92,560                              | (92,560)                | -                |
| <b>Net movement in funds</b>                              | <b>41,519</b>                         | <b>566,639</b>                      | <b>3,396,657</b>        | <b>4,004,815</b> |

## Quartet Community Foundation

### Notes to the financial statements

#### For the year ended 31 March 2023

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### 3. Donations and gifts

Material donations from institutions (greater than 5% of the total) have been received from:

|  | <b>2023</b>    | 2022             |
|--|----------------|------------------|
|  | <b>Total</b>   | Total            |
|  | <b>£</b>       | £                |
| Bank of Ireland                                | <b>574,219</b> | <b>45,539</b>    |
| Bristol Community Health Fund                  | <b>127,724</b> | -                |
| North Somerset Community Partnership Endowment | <b>110,009</b> | <b>3,750,000</b> |
| North Somerset Community Partnership Endowment | -              | <b>250,000</b>   |
| Osborne Clarke                                 | <b>284,000</b> | <b>274,000</b>   |
| Pople Charitable Trust Revenue Fund            | <b>63,500</b>  | <b>76,000</b>    |
| Thrings Solicitors Fund                        | <b>20,580</b>  | <b>27,963</b>    |
| Wessex Water                                   | <b>716,050</b> | <b>223,638</b>   |

The charity received the following government grants:

|   | <b>2023</b>             | 2022                    |
|---|-------------------------|-------------------------|
|   | <b>Total</b>            | Total                   |
|   | <b>£</b>                | £                       |
| Bristol City Council                          | <b>1,700,000</b>        | <b>2,112,500</b>        |
| Commissioners Crime Prevention Fund           | <b>84,132</b>           | -                       |
| Bath & NES Supporting Communities and Welness | <b>20,000</b>           | -                       |
|   | <b><u>1,804,132</u></b> | <b><u>2,112,500</u></b> |

There are no unfulfilled conditions in respect of the government grants disclosed above (2022: none).

The charity did not benefit from any other forms of government assistance during the year (2022: none).

### 4. Gifts in kind

We are grateful to the following organisations for their support during the year:

- Bank of Scotland for banking services;
- Business West - Membership

We estimate that the costs saved by Quartet of providing these services amounts to £4,000 (2022: £4,000).

We are grateful for the help provided by our volunteers, especially members of our committees, grants advisory panels and task groups.

**Quartet Community Foundation**

**Notes to the financial statements**

**For the year ended 31 March 2023**

**5. Investment properties**

|  | Unrestricted<br>£     | Restricted<br>£      | Endowment<br>£  | <b>2023<br/>Total<br/>£</b> |
|--|-----------------------|----------------------|-----------------|-----------------------------|
| <b>Income</b>  |                       |                      |                 |                             |
| Tenants' contributions to future maintenance and repairs | -                     | 1,000                | -               | <b>1,000</b>                |
| Investment income  | 34,242                | 42,218               | -               | <b>76,460</b>               |
|  | <u>34,242</u>         | <u>43,218</u>        | <u>-</u>        | <u><b>77,460</b></u>        |
| <b>Expenditure</b>                                       |                       |                      |                 |                             |
| Depreciation of fixtures and fittings                    | 7,230                 | -                    | -               | <b>7,230</b>                |
| Running costs  | 34,407                | -                    | -               | <b>34,407</b>               |
|  | <u>41,637</u>         | <u>-</u>             | <u>-</u>        | <u><b>41,637</b></u>        |
| <b>Net income</b>  | <u><u>(7,395)</u></u> | <u><u>43,218</u></u> | <u><u>-</u></u> | <u><u><b>35,823</b></u></u> |

During the year, sundry costs were incurred in respect of the maintenance of the buildings.

|  | Unrestricted<br>£      | Restricted<br>£      | Endowment<br>£       | <b>2022<br/>Total<br/>£</b> |
|--|------------------------|----------------------|----------------------|-----------------------------|
| <b>Prior period comparative:</b>                         |                        |                      |                      |                             |
| <b>Income</b>  |                        |                      |                      |                             |
| Tenants' contributions to future maintenance and repairs | -                      | 1,000                | -                    | 1,000                       |
| Investment income  | 4,531                  | 42,019               | 46,771               | 93,321                      |
|  | <u>4,531</u>           | <u>43,019</u>        | <u>46,771</u>        | <u>94,321</u>               |
| <b>Expenditure</b>                                       |                        |                      |                      |                             |
| Depreciation of fixtures and fittings                    | 11,362                 | -                    | -                    | 11,362                      |
| Running costs  | 23,332                 | -                    | -                    | 23,332                      |
|  | <u>34,694</u>          | <u>-</u>             | <u>-</u>             | <u>34,694</u>               |
| <b>Net income</b>  | <u><u>(30,163)</u></u> | <u><u>43,019</u></u> | <u><u>46,771</u></u> | <u><u>59,627</u></u>        |

## Quartet Community Foundation

### Notes to the financial statements

For the year ended 31 March 2023

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#### 6. Investment income

|  | Unrestricted<br>£ | Restricted<br>£  | Endowment<br>£ | 2023<br>Total<br>£ |
|--|-------------------|------------------|----------------|--------------------|
| Allocation of investment income from endowment | -                 | (253,008)        | -              | (253,008)          |
| Interest on current accounts                   | 25,321            | -                | -              | 25,321             |
| Total investment income                        | <u>25,321</u>     | <u>(253,008)</u> | <u>-</u>       | <u>(227,687)</u>   |

Quartet takes 4.5% total return from capital gain and reinvest the dividend earned into the investment.

|  | Unrestricted<br>£ | Restricted<br>£  | Endowment<br>£ | 2022<br>Total<br>£ |
|--|-------------------|------------------|----------------|--------------------|
| <b>Prior period comparative:</b>               |                   |                  |                |                    |
| Allocation of investment income from endowment | -                 | (185,954)        | -              | (185,954)          |
| Interest on current accounts                   | 8,846             | -                | -              | 8,846              |
| Total investment income                        | <u>8,846</u>      | <u>(185,954)</u> | <u>-</u>       | <u>(177,108)</u>   |

Quartet Community Foundation

Notes to the financial statements

For the year ended 31 March 2023

7. Analysis of total expenditure

| Costs by charitable activity         | Activities undertaken directly<br>£ | Grant funding of activities<br>£ | Support & governance costs<br>£ | 2023 Total<br>£  |
|--------------------------------------|-------------------------------------|----------------------------------|---------------------------------|------------------|
| Communications and publicity         | 19,182                              | -                                | 195,592                         | 214,774          |
| Consultancy                          | -                                   | -                                | 21,259                          | 21,259           |
| Civic Influence/Community Leadership | -                                   | -                                | 19,134                          | 19,134           |
| Philanthropy services                | -                                   | -                                | 250,869                         | 250,869          |
| Draw-downs                           | 196,960                             | -                                | -                               | 196,960          |
| City Funds                           | -                                   | -                                | 53,150                          | 53,150           |
| Fund development                     | 3,000                               | -                                | 68,034                          | 71,034           |
| Grants payable                       | -                                   | 6,516,733                        | -                               | 6,516,733        |
| Investment management costs          | 133,335                             | -                                | 19,134                          | 152,469          |
| Investment properties                | 34,407                              | -                                | 7,230                           | 41,637           |
| Support costs of grants programme    | -                                   | 183,300                          | 393,311                         | 576,611          |
| <b>Total resources expended</b>      | <b>386,884</b>                      | <b>6,700,033</b>                 | <b>1,027,713</b>                | <b>8,114,630</b> |

| Allocation of support and governance costs by activity | Basis of allocation % | Staff costs<br>£ | Property costs<br>£ | Office costs<br>£ | Other costs<br>£ | Depreciation<br>£ | Governance<br>£ | 2023 Total<br>£  |
|--|-----------------------|------------------|---------------------|-------------------|------------------|-------------------|-----------------|------------------|
| Communications and publicity                           | 19.17%                | 149,286          | 9,467               | 16,168            | 12,332           | 2,736             | 5,603           | 195,592          |
| Consultancy  | 2.08%                 | 16,227           | 1,029               | 1,757             | 1,340            | 297               | 609             | 21,259           |
| Civic Influence (Community Leadershi                   | 1.87%                 | 14,604           | 926                 | 1,581             | 1,207            | 267               | 549             | 19,134           |
| Philanthropy services                                  | 24.58%                | 191,476          | 12,142              | 20,738            | 15,818           | 3,509             | 7,186           | 250,869          |
| Draw-downs   | Specific              | -                | -                   | -                 | -                | -                 | -               | -                |
| Fund development                                       | 6.67%                 | 51,926           | 3,293               | 5,624             | 4,290            | 952               | 1,949           | 68,034           |
| Grants payable   | Specific              | -                | -                   | -                 | -                | -                 | -               | -                |
| Investment management costs                            | 1.88%                 | 14,604           | 926                 | 1,582             | 1,206            | 268               | 548             | 19,134           |
| Investment properties                                  | Specific              | -                | -                   | -                 | -                | 7,230             | -               | 7,230            |
| City Funds   | 5.21%                 | 40,567           | 2,573               | 4,394             | 3,351            | 743               | 1,522           | 53,150           |
| Support costs of grants programme                      | 38.54%                | 300,195          | 19,037              | 32,513            | 24,799           | 5,501             | 11,266          | 393,311          |
| <b>Total</b>   |                       | <b>778,885</b>   | <b>49,393</b>       | <b>84,357</b>     | <b>64,343</b>    | <b>21,503</b>     | <b>29,232</b>   | <b>1,027,713</b> |

Quartet Community Foundation

Notes to the financial statements

For the year ended 31 March 2023

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7. Analysis of total expenditure (prior period comparative)

| <b>Costs by charitable activity</b> | Activities<br>undertaken<br>directly<br>£ | Grant<br>funding of<br>activities<br>£ | Support &<br>governance<br>costs<br>£ | <b>2022<br/>Total<br/>£</b> |
|-------------------------------------|---|--|---------------------------------------|-----------------------------|
| Communications and publicity        | 22,999                                    | -                                      | 110,813                               | <b>133,812</b>              |
| Consultancy                         | -   | -                                      | 22,340                                | <b>22,340</b>               |
| Community Leadership                | -   | -                                      | 22,339                                | <b>22,339</b>               |
| Philanthropy services               | -   | -                                      | 184,905                               | <b>184,905</b>              |
| Draw-downs                          | 409,248                                   | -                                      | -                                     | <b>409,248</b>              |
| City Funds                          | -   | -                                      | 57,032                                | <b>57,032</b>               |
| Fund development                    | 3,000                                     | -                                      | 54,839                                | <b>57,839</b>               |
| Grants payable                      | -   | 4,848,905                              | -                                     | <b>4,848,905</b>            |
| Investment management costs         | 135,640                                   | -                                      | 10,155                                | <b>145,795</b>              |
| Investment properties               | 23,332                                    | -                                      | 11,362                                | <b>34,694</b>               |
| Support costs of grants programme   | -   | 302,947                                | 431,235                               | <b>734,182</b>              |
| <b>Total resources expended</b>     | <u>594,219</u>                            | <u>5,151,852</u>                       | <u>905,020</u>                        | <u><b>6,651,091</b></u>     |



**7. Analysis of total expenditure (prior period comparative) con't**

| <b>Allocation of support and governance costs by activity</b> | Basis of allocation % | Staff costs £  | Property costs £ | Office costs £ | Other costs £ | Depreciation £ | Governance £  | <b>2022 Total £</b>   |
|---|-----------------------|----------------|------------------|----------------|---------------|----------------|---------------|-----------------------|
| Communications and publicity                                  | 12.40%                | 84,900         | 5,828            | 9,276          | 5,899         | 1,242          | 3,668         | <b>110,813</b>        |
| Consultancy   | 2.50%                 | 17,117         | 1,175            | 1,870          | 1,189         | 250            | 739           | <b>22,340</b>         |
| Community Leadership  | 2.50%                 | 17,117         | 1,175            | 1,870          | 1,187         | 250            | 740           | <b>22,339</b>         |
| Philanthropy services   | 20.69%                | 141,666        | 9,725            | 15,478         | 9,843         | 2,073          | 6,120         | <b>184,905</b>        |
| Draw-downs  | Specific              | -              | -                | -              | -             | -              | -             | -                     |
| Fund development  | 6.14%                 | 42,014         | 2,883            | 4,591          | 2,920         | 616            | 1,815         | <b>54,839</b>         |
| Grants payable  | Specific              | -              | -                | -              | -             | -              | -             | -                     |
| Investment management costs                                   | 1.14%                 | 7,780          | 534              | 850            | 541           | 114            | 336           | <b>10,155</b>         |
| Investment properties   | Specific              | -              | -                | -              | -             | 11,362         | -             | <b>11,362</b>         |
| City Funds  | 6.38%                 | 43,695         | 3,000            | 4,774          | 3,036         | 639            | 1,888         | <b>57,032</b>         |
| Support costs of grants programme                             | 48.25%                | <u>330,389</u> | <u>22,682</u>    | <u>36,098</u>  | <u>22,957</u> | <u>4,836</u>   | <u>14,273</u> | <b><u>431,235</u></b> |
| <b>Total</b>  |                       | <u>684,678</u> | <u>47,002</u>    | <u>74,807</u>  | <u>47,572</u> | <u>21,382</u>  | <u>29,579</u> | <b><u>905,020</u></b> |

## Quartet Community Foundation

### Notes to the financial statements

For the year ended 31 March 2023

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#### 7. Analysis of total expenditure (continued)

**Staffing and support costs:** Quartet receives some donations in support of its running costs. In addition, some donors to Quartet's endowment have specified that the investment income from their funds should be used to support Quartet's running costs. All such income has been treated as unrestricted.

The costs are allocated to the following activities mainly according to the staff time spent:

- **Communications and publicity:** Promoting Quartet's services as an effective vehicle to manage local charitable giving. Raising awareness of Quartet's services (grant-making and fund management) and the needs of local communities.
- **Fund development:** Activities to increase the funding available for charities in the West of England.
- **Philanthropy services:** Providing advice to donors and managing funds on their behalf, including investment of endowment funds. During the year Quartet managed 357 named funds, which includes 53 flow through funds and 9 funds building to 'named fund' status.
- **Consultancy:** Costs incurred in relation to the provision of consultancy services provided to Gloucestershire Community Foundation and others.
- **Investment management costs:** Checking and monitoring investment performance and reviewing effect of total return policy.
- **Support costs of grant programme:** Includes staff time spent in assessing, allocating and monitoring grants made together with appropriate administrative backing. Outreach activities, to promote the grants programme and support organisations applying for funds. Details of grants made are provided in note 26.

#### 8. Net movement in funds

This is stated after charging:

|   | 2023          | 2022          |
|---|---------------|---------------|
|   | £             | £             |
| Depreciation                                  | 21,503        | 21,382        |
| Operating lease rentals - plant and machinery | 4,033         | 5,003         |
| Trustees' remuneration                        | Nil           | Nil           |
| Trustees' reimbursed expenses                 | Nil           | Nil           |
| Auditors' remuneration:                       |               |               |
| ▪ Statutory audit                             | 15,750        | 12,750        |
| ▪ Other services                              | 1,400         | 1,000         |
|   | <u>15,750</u> | <u>12,750</u> |

## Quartet Community Foundation

### Notes to the financial statements

For the year ended 31 March 2023

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#### 9. Staff costs and numbers

Staff costs were as follows:

|                           | <b>2023</b>    | 2022        |
|---------------------------|----------------|-------------|
|                           | £              | £           |
| Salaries and wages        | <b>683,893</b> | 593,743     |
| Social security costs     | <b>66,049</b>  | 54,538      |
| Pension costs             | <b>26,329</b>  | 24,026      |
| HSF Health Plan           | <b>1,613</b>   | 846         |
|                           | <hr/>          | <hr/>       |
| Total employment costs    | <b>777,884</b> | 673,153     |
|                           | <hr/>          | <hr/>       |
| Consultants and secondees | <b>1,001</b>   | 11,525      |
|                           | <hr/>          | <hr/>       |
|                           | <b>778,885</b> | 684,678     |
|                           | <hr/> <hr/>    | <hr/> <hr/> |

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and Senior Management Team. The total employee benefits of the key management personnel of the charity were £250,670 (2022: £233,251).

No employee earned £60,000 - £70,000 during the year (2022: None ).

One employee earned £70,000 - £80,000 during the year (2022: None).

The average head count during the reporting year was 23 (2022:23). The average number of full time equivalent employees during the year was 19 (2022:18).

#### 10. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

## Quartet Community Foundation

### Notes to the financial statements

For the year ended 31 March 2023

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#### 11. Grants payable

The amount payable in the year comprises:

|                            | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Endowment<br>funds<br>£ | 2023 Total<br>£  |
|----------------------------|----------------------------|--------------------------|-------------------------|------------------|
| <i>Foundation grants:</i>  |                            |                          |                         |                  |
| Quartet's grants programme | -                          | 4,963,568                | -                       | <b>4,963,568</b> |
| Sub-total                  | -                          | 4,963,568                | -                       | <b>4,963,568</b> |
| Donor directed grants      | -                          | 1,592,122                | -                       | <b>1,592,122</b> |
| Lapsed and returned grants | -                          | (38,957)                 | -                       | <b>(38,957)</b>  |
| Total grants payable       | -                          | <b>6,516,733</b>         | -                       | <b>6,516,733</b> |

| <b>Prior period comparative:</b> | Unrestricted<br>£ | Restricted<br>£  | Endowment<br>£ | 2022 Total<br>£  |
|----------------------------------|-------------------|------------------|----------------|------------------|
| <i>Foundation grants:</i>        |                   |                  |                |                  |
| Quartet's grants programme       | -                 | 4,001,264        | -              | 4,001,264        |
| Sub-total                        | -                 | 4,001,264        | -              | 4,001,264        |
| Donor directed grants            | -                 | 1,005,026        | -              | 1,005,026        |
| Lapsed and returned grants       | -                 | (157,385)        | -              | (157,385)        |
| Total grants payable             | -                 | <b>4,848,905</b> | -              | <b>4,848,905</b> |

#### Quartet's grants programme

Quartet's grants programme provides various levels of support as follows:

##### Express

Grants up to £5,000 for small local voluntary and community organisations where a small amount of funding can make a difference.

##### Catalyst

Grants of up to £60,000 available from charitable funds managed by Quartet which have been solicited by the donor.

##### Special advised

Grants of varying amounts up to £50,000 from charitable funds managed by Quartet which have to comply with criteria set by the donor.

##### Donor directed funds

Quartet also manages funds which give donors the flexibility to support national and international charities of their choice as well as local causes.

**Quartet Community Foundation**

**Notes to the financial statements**

**For the year ended 31 March 2023**

**12. Tangible fixed assets**

|                                 | Freehold<br>property<br>£ | Royal Oak<br>House<br>fixtures &<br>fittings<br>£ | Fixtures,<br>fittings &<br>equipment<br>£ | Total<br>£     |
|---------------------------------|---------------------------|---|---|----------------|
| <b>Cost</b>                     |                           |   |   |                |
| At 1 April 2022                 | 158,020                   | 180,597   | 112,401                                   | 451,018        |
| Additions in year               | -                         | 27,748  | 11,556                                    | 39,304         |
| <b>At 31 March 2023</b>         | <b>158,020</b>            | <b>208,345</b>                                    | <b>123,957</b>                            | <b>490,322</b> |
| <b>Accumulated Depreciation</b> |                           |   |   |                |
| At 1 April 2022                 | 15,448                    | 160,825   | 95,347                                    | 271,620        |
| Charge for the year             | 3,157                     | 7,230   | 11,117                                    | 21,504         |
| <b>At 31 March 2023</b>         | <b>18,605</b>             | <b>168,055</b>                                    | <b>106,464</b>                            | <b>293,124</b> |
| <b>Net book value</b>           |                           |   |   |                |
| <b>At 31 March 2023</b>         | <b>139,415</b>            | <b>40,289</b>                                     | <b>17,493</b>                             | <b>197,198</b> |
| <b>At 31 March 2022</b>         | <b>142,572</b>            | <b>19,771</b>                                     | <b>17,054</b>                             | <b>179,398</b> |

Freehold property consists the owner-occupied element of Royal Oak House.

**13. Investment properties**

Royal Oak House was purchased by the Foundation in 1998 and was refurbished during 1999-2000. Royal Oak House is a mixed use investment property. 20% of the property is occupied by Quartet for operational use an increase from 13.6% in 2020. In line with FRS 102 this portion of the property is classified as a tangible fixed asset and depreciated at 2% per annum. The remaining 80% is classified as an investment property and carried at fair value.

A formal revaluation of Royal Oak House was undertaken at 31 March 2023 by commercial real estate advisors Colliers International Ltd, Bristol, RICS registered valuer. Colliers International used the investment method of valuation and in their opinion the Fair Value of the property was £790,000 (of which 80%, or £632,000 relates to use as an investment property).

|                                      | 2023<br>£      | 2022<br>£      |
|--------------------------------------|----------------|----------------|
| Market value at 1 April 2022         | 664,000        | 752,000        |
| Transfers                            | -              | -              |
| Unrealised investment gain / (loss)  | (32,000)       | (88,000)       |
| <b>Market value at 31 March 2023</b> | <b>632,000</b> | <b>664,000</b> |
| <b>Cost at 31 March 2023</b>         | <b>847,691</b> | <b>847,691</b> |

## Quartet Community Foundation

### Notes to the financial statements

For the year ended 31 March 2023

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#### 14. Other investments

|   | 2023                     | 2022                     |
|---|--------------------------|--------------------------|
|   | £                        | £                        |
| <b>Quoted investments:</b>              |                          |                          |
| Market value at 1 April 2022            | 57,840,710               | 54,887,958               |
| Acquisitions at cost                    | 7,344,300                | 5,652,818                |
| Gift of shares                          | 1,586,223                | 44,213                   |
| Disposals proceeds                      | (6,353,032)              | (6,380,991)              |
| Cash movements                          | (48,350)                 | (310,697)                |
| Net gain/(loss) in the year             | <u>(3,097,187)</u>       | <u>3,947,409</u>         |
| <b>Market value at 31 March 2023</b>    | <u><u>57,272,664</u></u> | <u><u>57,840,710</u></u> |
| <b>Cost at 31 March 2023</b>            | <u><u>50,895,066</u></u> | <u><u>47,351,681</u></u> |
| <b>Analysis by geographical sector:</b> |                          |                          |
| Investment assets in the UK             | 26,573,553               | 27,738,362               |
| Investment assets outside the UK        | <u>30,699,111</u>        | <u>30,102,348</u>        |
|   | <u><u>57,272,664</u></u> | <u><u>57,840,710</u></u> |

#### 15. Debtors

|                               | 2023                    | 2022                    |
|-------------------------------|-------------------------|-------------------------|
|                               | £                       | £                       |
| Gift aid receivable           | 22,067                  | 202,712                 |
| Other debtors and prepayments | <u>1,408,600</u>        | <u>1,053,150</u>        |
|                               | <u><u>1,430,667</u></u> | <u><u>1,255,862</u></u> |

#### 16. Creditors : amounts falling within 1 year

|                              | 2023                  | 2022                  |
|------------------------------|-----------------------|-----------------------|
|                              | £                     | £                     |
| Trade creditors              | 7,009                 | 44,934                |
| Taxation and social security | 17,842                | 15,415                |
| Other creditors              | 47,546                | 59,871                |
| Accruals and deferred income | 64,063                | 72,726                |
| Grants payable               | <u>790,697</u>        | <u>746,358</u>        |
|                              | <u><u>927,157</u></u> | <u><u>939,304</u></u> |

## Quartet Community Foundation

### Notes to the financial statements

#### For the year ended 31 March 2023

#### 17. Deferred income

|                          | 2023<br>£       | 2022<br>£       |
|--------------------------|-----------------|-----------------|
| At 1 April 2022          | 15,416          | 17,795          |
| Deferred during the year | -               | 15,416          |
| Released during the year | <u>(15,416)</u> | <u>(17,795)</u> |
| At 31 March 2023         | <u>-</u>        | <u>15,416</u>   |

Deferred income relates to Royal Oak House rent demanded in advance.

#### 18. Analysis of net assets between funds

|  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Permanent<br>endowment<br>funds<br>£ | Expendable<br>endowment<br>funds<br>£ | Total funds<br>£         |
|--|----------------------------|--------------------------|--------------------------------------|---------------------------------------|--------------------------|
| Fixed assets                           | 57,783                     | -                        | 139,415                              | -                                     | 197,198                  |
| Investments - property                 | 64,849                     | -                        | 567,151                              | -                                     | 632,000                  |
| Investments - other                    | -                          | -                        | 6,708,999                            | 50,563,665                            | 57,272,664               |
| Debtors                                | 92,754                     | 75,722                   | -                                    | 1,262,191                             | 1,430,667                |
| Cash at bank and in hand               | 1,212,935                  | 5,187,951                | -                                    | (31,621)                              | 6,369,265                |
| Creditors                              | <u>(136,460)</u>           | <u>(790,697)</u>         | <u>-</u>                             | <u>-</u>                              | <u>(927,157)</u>         |
| <b>Net assets at 31 March<br/>2023</b> | <u><b>1,291,861</b></u>    | <u><b>4,472,976</b></u>  | <u><b>7,415,565</b></u>              | <u><b>51,794,235</b></u>              | <u><b>64,974,637</b></u> |

| Prior year comparatives                | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Permanent<br>endowment<br>funds<br>£ | Expendable<br>endowment<br>funds<br>£ | Total funds<br>£         |
|--|----------------------------|--------------------------|--------------------------------------|---------------------------------------|--------------------------|
| Fixed assets                           | 36,826                     | -                        | 142,572                              | -                                     | 179,398                  |
| Investments - property                 | 68,006                     | -                        | 595,994                              | -                                     | 664,000                  |
| Investments - other                    | -                          | -                        | 7,321,621                            | 50,519,089                            | 57,840,710               |
| Debtors                                | 142,173                    | 835,687                  | -                                    | 278,000                               | 1,255,860                |
| Cash at bank and in hand               | 987,100                    | 5,141,158                | -                                    | 1,151,480                             | 7,279,738                |
| Creditors                              | <u>(192,943)</u>           | <u>(746,358)</u>         | <u>-</u>                             | <u>-</u>                              | <u>(939,301)</u>         |
| <b>Net assets at 31 March<br/>2022</b> | <u><b>1,041,162</b></u>    | <u><b>5,230,487</b></u>  | <u><b>8,060,187</b></u>              | <u><b>51,948,569</b></u>              | <u><b>66,280,405</b></u> |

Sufficient resources are held to enable each fund to be applied in accordance with the restrictions imposed on it.

## Quartet Community Foundation

### Notes to the financial statements

#### For the year ended 31 March 2023

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#### 19. Share capital

Quartet is a company limited by guarantee and does not have share capital. The liability of members in the event of winding up is limited to an amount not exceeding £1 per member.

#### 20. Other financial commitments

At the year end the charity had operating leases with total future minimum lease payments as follows:

|                     | Plant & machinery |               |
|---------------------|-------------------|---------------|
|                     | 2023              | 2022          |
|                     | £                 | £             |
| Amount falling due: |                   |               |
| Within 1 year       | 4,033             | 5,003         |
| Within 2 - 5 years  | 5,003             | 6,005         |
|                     | <u>9,036</u>      | <u>11,008</u> |

#### 21. Related party transactions

A number of trustees, and/or parties/organisations connected to them, have made donations to Quartet during the year. These donations amounted to £525 in the year (2022: £325). None of the individual donations were material to the individual/organisation or to Quartet. In addition, some trustees are connected to organisations that have benefited from grants distributed by Quartet during the year, but do not have any involvement in any grant panels or grant decisions, details as follows:

| Connected organisation                | Grant awarded | Connected trustee      | Position held   |
|---------------------------------------|---------------|------------------------|-----------------|
| Society of Merchant Venturers         | 8000          | Nick Lee/Jonathan Bake | Member          |
| BRACE                                 | 500           | Susan Blatchford       | Trustee         |
| BRACE                                 | Pro Help      | Susan Blatchford       | Trustee         |
| Bristol Chaplaincy                    | 5000          | Ben Silvey             | Trustee         |
| The Nelson Trust                      | 9,350         | Sue Mountstevens       | Vice President  |
| The Nelson Trust                      | Pro Help      | Sue Mountstevens       | Vice President  |
| Square Food Foundation                | 10,360        | Caroline Hagen         | Spouce          |
| Square Food Foundation                | Pro Help      | Caroline Hagen         | Spouce          |
| The Park Community Centre             | Pro Help      | Jonathan Baker         | Trustee         |
| Royal West of England Academy         | 1,000         | Abdul Hamid Sheikh     | Trustee         |
| Chinese Community Wellbeing           | 2,500         | Abdul Hamid Sheikh     | Other           |
| Bristol Black Carers                  | Pro Help      | Abdul Hamid Sheikh     | Other           |
| Bricks Bristol                        | 24,992        | Kristen Pye            | Tenant          |
| Bricks Bristol                        | Pro Help      | Kristen Pye            | Tenant          |
| Anchor Society                        | 2,050         | Oliver Delany          | President Elect |
| Clifton Down Charitable Trust Limited | 500           | Nick Lee/Jonathan Bake | Member          |
| Creative Youth Network                | 5,684         | Raj Kakar-Clayton      | Trustee         |

Consultancy income amounting to £3,400 was charged to the Society of Merchant Venturers during the year (2022: £3,400)



## Quartet Community Foundation

### Notes to the financial statements

#### For the year ended 31 March 2023

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Donations received through organisations connected with two of our Trustees totalled £40,649 from SMV £20,135 and Thrings LLP £20,514

#### 22. Connected charities

During the year, Quartet undertook a contract to provide financial administration to Gloucestershire Community Foundation (GCF). The services provided, and the agreed fee for these services, are detailed in a service level agreement signed by both organisations. A patron of Quartet, Dame Janet Trotter DBE, is also the president of GCF but the two organisations do not have any trustees, or affiliated members, in common. Both organisations are members of UK Community Foundation.

Under guidelines of the Charities SORP, GCF is a "connected charity" as 2 members of Quartet's staff now have responsibility for delivering services on behalf of GCF.

#### 23. Reconciliation of net movement in funds to net cash flow from operating activities

|   | 2023<br>£               | 2022<br>£               |
|---|-------------------------|-------------------------|
| <b>Net movement in funds</b>                      | <b>(1,305,768)</b>      | 4,004,815               |
| Adjustments for:                                  |                         |                         |
| Depreciation charges                              | <b>21,504</b>           | 21,382                  |
| Gift of shares                                    | <b>(1,586,223)</b>      | (44,213)                |
| Gains on investments                              | <b>3,129,183</b>        | (3,899,410)             |
| Dividends, interest and rents from investments    | <b>(354,787)</b>        | (289,121)               |
| Decrease / (increase) in debtors                  | <b>(174,804)</b>        | (501,126)               |
| Decrease / (increase) in creditors                | <b>(12,147)</b>         | (20,160)                |
|   | <hr/>                   | <hr/>                   |
| <b>Net cash generated by operating activities</b> | <b><u>(283,042)</u></b> | <b><u>(727,833)</u></b> |

Quartet Community Foundation

Notes to the financial statements

For the year ended 31 March 2023

24. Endowment funds

|   | At 1 April<br>2022<br>£ | Net movement in<br>funds<br>£ | (Losses) /<br>gains on<br>investments<br>£ | Transfers<br>between<br>funds<br>£ | At 31 March<br>2023<br>£ |
|---|-------------------------|-------------------------------|--|------------------------------------|--------------------------|
| <b>Permanent endowment</b>              |                         |                               |  |                                    |                          |
| <i>Unrestricted endowment funds</i>     |                         |                               |  |                                    |                          |
| Discretionary (a)                       | 1,204,386               | (2,075)                       | (96,659)                                   | -                                  | <b>1,105,652</b>         |
| <i>Restricted endowment funds</i>       |                         |                               |  |                                    |                          |
| Field of interest (b)                   | 1,811,007               | (4,436)                       | (147,479)                                  | -                                  | <b>1,659,092</b>         |
| Donor directed (c)                      | 2,329,684               | (5,203)                       | (192,121)                                  | -                                  | <b>2,132,360</b>         |
| Foundation (d)                          | 1,976,544               | (4,812)                       | (159,837)                                  | -                                  | <b>1,811,895</b>         |
| <b>Total permanent endowment</b>        | <b>7,321,621</b>        | <b>(16,526)</b>               | <b>(596,096)</b>                           | <b>-</b>                           | <b>6,708,999</b>         |
| <b>Expendable endowment funds</b>       |                         |                               |  |                                    |                          |
| <i>Unrestricted endowment funds</i>     |                         |                               |  |                                    |                          |
| Discretionary (e)                       | 1,322,876               | 49,554                        | (111,031)                                  | (4,800)                            | <b>1,256,599</b>         |
| <i>Restricted endowment funds</i>       |                         |                               |  |                                    |                          |
| Field of interest (f)                   | 30,572,746              | 2,540,997                     | (2,622,500)                                | (10,669)                           | <b>30,480,574</b>        |
| Donor directed (g)                      | 7,035,752               | (148,568)                     | (563,465)                                  | (131)                              | <b>6,323,588</b>         |
| <i>Grassroots Endowment</i>             |                         |                               |  |                                    |                          |
| Challenge (h)                           | 3,396,099               | 572,077                       | (293,818)                                  | -                                  | <b>3,674,358</b>         |
| Community First Programme (i)           | 7,053,767               | -                             | (351,690)                                  | -                                  | <b>6,702,077</b>         |
| Foundation (j)                          | 2,289,329               | (5,067)                       | (187,484)                                  | -                                  | <b>2,096,778</b>         |
| Royal Oak House (k)                     | 738,566                 | -                             | (32,000)                                   | -                                  | <b>706,566</b>           |
| Legacy Provision                        | 278,000                 | 982,261                       | -  | -                                  | <b>1,260,261</b>         |
| <b>Total expendable endowment funds</b> | <b>52,687,135</b>       | <b>3,991,254</b>              | <b>(4,161,988)</b>                         | <b>(15,600)</b>                    | <b>52,500,801</b>        |
| <b>Total endowment funds</b>            | <b>60,008,756</b>       | <b>3,974,728</b>              | <b>(4,758,084)</b>                         | <b>(15,600)</b>                    | <b>59,209,800</b>        |

Named endowment funds are at the heart of Quartet's work. These funds are invested to maintain their real value and generate income which is spent in accordance with the donors' wishes. Grants are made in the name of the donor if required. Quartet offers various types of named funds.

**(a) and (e) Discretionary**

Grants are allocated at the trustees' discretion to meet current community needs. All grants allocated are from general grantmaking funds which are classified as restricted.

**(b) and (f) Field of interest**

The donor specifies a field of interest to support work such as work with young people or a particular geographical area within the West of England.

**(c) and (g) Donor directed**

The donor chooses which projects to support.

## Quartet Community Foundation

### Notes to the financial statements

#### For the year ended 31 March 2023

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#### 24. Endowment funds (continued)

##### (d) and (j) Foundation

Income from the fund is used to support Quartet's core activities and contribute to its development.

##### (h) Grassroots Endowment Challenge

The government introduced the Grassroots Endowment Challenge during 2008-9 to encourage local people and companies to give to their local communities. For a 3 year period the government matched all new endowment donations by 50% up to an agreed annual level. The funds will be used to provide grants of up to £5,000 to local voluntary and community groups with income of less than £20,000.

##### (i) Community First Programme

The government introduced the Community First Programme during 2011-12 to encourage local people who want to make change possible and who want to support their local community. Up to 31 March 2012, the government matched all new endowments by 100% and from 1 April 2012 until 31 March 2015, the government matched all new endowment donations by 50%. Thereafter the government matched funding will be at an agreed annual level. The funds will be used to provide grants to local voluntary and community groups which reflect the donor's priorities.

##### (k) Royal Oak House

Expendable endowments have been invested in property owned by Quartet.

##### (l) Legacy provision

Legacy provision in the accounts value £1.26m from three main sources Buston £265k, Trinder £886k and NSCP for £110k

Unclaimed Assets - At 31 March 2023 Quartet held £9m of endowment funds which have been received under the Dormant Assets scheme. These funds have come from bank and savings accounts which have been inactive for over 15 years. Should the rightful owners of these funds come forward then those funds will have to be repaid to the institution concerned. The amount repaid in 2022/23 was £693k.

The permanent endowment funds are those of a separate charity, The Greater Bristol Foundation Permanent Endowment Fund. The Charity Commission has given a Uniting Direction under section 96(5) of the Charities Act 1993 which enables the Greater Bristol Foundation Permanent Endowment Fund to be treated as part of the main charity, Quartet Community Foundation. Accordingly the two charities have been linked under the same charity registration number.

The purposes of the funds, as well as the detailed composition of the endowment funds balances, are shown below.

##### Transfers

During the year a number of transfers were made between the expendable endowment funds and the revenue grant funds. The net value of these transfers was £15,600 (2022: £75,080)

**Quartet Community Foundation**

**Notes to the financial statements**

**For the year ended 31 March 2023**

**Permanent endowment**

|                       |                        |                                  | <b>2023</b> | 2022      |
|-----------------------|------------------------|----------------------------------|-------------|-----------|
|                       | <b>Number of funds</b> | <b>Purpose of fund</b>           | <b>£</b>    | <b>£</b>  |
| (a) Discretionary     | 10                     | Discretionary grant-making       | 1,105,652   | 1,204,386 |
| (b) Field of interest | 2                      | Disability                       | 411,028     | 448,653   |
|                       | 4                      | Education and training           | 407,357     | 444,647   |
|                       | 1                      | Elderly people                   | 25,500      | 27,835    |
|                       | 4                      | Homelessness                     | 454,263     | 495,871   |
|                       | 5                      | Young people                     | 360,943     | 394,001   |
| (b) Field of interest | 16                     |                                  | 1,659,091   | 1,811,007 |
| (c) Donor directed    | 10                     | Donor directed                   | 2,132,360   | 2,329,684 |
| (d) Foundation        | 8                      | Quartet staffing & support costs | 1,811,895   | 1,976,545 |

**24. Endowment funds (continued)**

**Expendable endowment**

|                               |                        |   | <b>2023</b> | 2022       |
|-------------------------------|------------------------|---|-------------|------------|
|                               | <b>Number of funds</b> | <b>Purpose of fund</b>                              | <b>£</b>    | <b>£</b>   |
| (e) Discretionary             | 20                     | Discretionary grant-making                          | 1,255,851   | 1,322,876  |
| (f) Field of interest         | 9                      | Education and training                              | 2,026,438   | 2,187,165  |
|                               | 14                     | Environment   | 684,048     | 745,687    |
|                               | 3                      | Homelessness  | 98,308      | 107,187    |
|                               | 1                      | Safer community environments                        | 52,122      | 56,893     |
|                               | 8                      | North Somerset                                      | 8,683,335   | 9,481,049  |
|                               | 11                     | Bath & North East Somerset                          | 535,092     | 572,297    |
|                               | 3                      | Elderly people                                      | 946,280     | 1,032,084  |
|                               | 24                     | Young people  | 4,027,903   | 3,296,723  |
|                               | 21                     | Other field of interest                             | 13,427,048  | 13,093,661 |
| (f) Field of interest         | 94                     |   | 30,480,574  | 30,572,746 |
| (g) Donor directed            | 27                     | Donor directed                                      | 6,323,588   | 7,035,752  |
| (h) Grassroots Challenge      | 49                     | Small/local voluntary groups                        | 3,674,358   | 3,396,099  |
| (i) Community First Programme | 71                     | Small/local voluntary groups                        | 6,702,077   | 7,053,767  |
| (j) Foundation                | 5                      | Quartet staffing & support costs                    | 2,096,778   | 2,289,329  |
| (k) Royal Oak House           | 1                      | Donor directed and Quartet staffing & support costs | 706,566     | 738,566    |
| (l) Legacy Provision          |                        | Buston Legacy                                       | 1152182     | 278,000    |

Quartet Community Foundation

Notes to the financial statements

For the year ended 31 March 2023

25. Revenue funds

|  | Unrestricted<br>£ | Restricted<br>£  | Total<br>£       |
|--|-------------------|------------------|------------------|
| Balance at 1 April 2022                  | 1,041,159         | 5,230,490        | 6,271,649        |
| Net movement in funds                    | 190,348           | (2,341,661)      | (2,151,313)      |
| Realised and unrealised investment gains | 20,354            | 1,608,547        | 1,628,901        |
| Transfers                                | 40,000            | (24,400)         | 15,600           |
| <b>Balance at 31 March 2023</b>          | <b>1,291,861</b>  | <b>4,472,976</b> | <b>5,764,837</b> |

25. Revenue funds (continued)

The revenue fund movements during the year can be analysed as follows:

|  | At 1 April<br>2022<br>£ | Net movement in<br>funds<br>£ | Gains /<br>losses on<br>investments<br>£ | Transfers<br>between<br>funds<br>£ | At 31<br>March<br>2023<br>£ |
|--|-------------------------|-------------------------------|--|------------------------------------|-----------------------------|
| <b>Unrestricted income funds</b>       |                         |                               |  |                                    |                             |
| Staffing and support costs             | 1,041,159               | 190,348                       | 20,354                                   | (80,000)                           | 1,171,861                   |
| Designated Fund                        | -                       | -                             | -  | 120,000                            | 120,000                     |
| <b>Total unrestricted income funds</b> | <b>1,041,159</b>        | <b>190,348</b>                | <b>20,354</b>                            | <b>40,000</b>                      | <b>1,291,861</b>            |
| <b>Restricted income funds</b>         |                         |                               |  |                                    |                             |
| Discretionary (a)                      | 484,698                 | (225,865)                     | 84,587                                   | 35,585                             | 379,005                     |
| Donor directed (b)                     | 499,305                 | (275,513)                     | 173,080                                  | (24,060)                           | 372,812                     |
| Field of interest (c)                  | 3,612,593               | (1,570,624)                   | 1,148,740                                | 11,817                             | 3,202,526                   |
| Foundation (j)                         | -                       | (104,467)                     | 104,467                                  | -                                  | -                           |
| Grassroots Endowment (h)               | 161,564                 | (86,453)                      | 97,497                                   | (7,384)                            | 165,224                     |
| Community First Programme (i)          | 420,723                 | (59,763)                      | 176                                      | (40,358)                           | 320,778                     |
| Royal Oak House maintenance            | 31,607                  | 1,024                         | -  | -                                  | 32,631                      |
| Revenue Legacy provision (k)           | 20,000                  | (20,000)                      | -  | -                                  | -                           |
| <b>Total restricted revenue funds</b>  | <b>5,230,490</b>        | <b>(2,341,661)</b>            | <b>1,608,547</b>                         | <b>(24,400)</b>                    | <b>4,472,976</b>            |
| <b>Total revenue funds</b>             | <b>6,271,649</b>        | <b>(2,151,313)</b>            | <b>1,628,901</b>                         | <b>15,600</b>                      | <b>5,764,837</b>            |

**Transfers**

During the year a number of transfers were made between the expendable endowment funds and the revenue grant funds. The net value of these transfers was £24,400 (2021: £15,819)

The detailed revenue grants fund balances are as follows:

**Quartet Community Foundation**

**Notes to the financial statements**

**For the year ended 31 March 2023**

**Restricted grant funds**

|                    |                        |                            | <b>2023</b>    | 2022     |
|--------------------|------------------------|----------------------------|----------------|----------|
|                    | <b>Number of funds</b> | <b>Purpose of fund</b>     | <b>£</b>       | <b>£</b> |
| (a) Discretionary  | 45                     | Discretionary grant-making | <b>379,005</b> | 484,697  |
| (b) Donor directed | 47                     | Donor directed             | <b>372,811</b> | 499,304  |

**25. Revenue funds (continued)**

|                                       |     |                                |                  |           |
|---------------------------------------|-----|--------------------------------|------------------|-----------|
| (c) Field of interest                 | 42  | Young people                   | <b>674,803</b>   | 254,227   |
|                                       | 22  | Education                      | <b>81,894</b>    | 67,600    |
|                                       | 15  | Bristol                        | <b>79,896</b>    | 368,768   |
|                                       | 8   | North Somerset                 | <b>(30,812)</b>  | 104,892   |
|                                       | 3   | Sport                          | <b>14,562</b>    | 5,454     |
|                                       | 8   | Homelessness                   | <b>94,876</b>    | 66,627    |
|                                       | 12  | Bath & North East Somerset     | <b>126,735</b>   | 122,388   |
|                                       | 18  | Environment                    | <b>21,099</b>    | 51,124    |
|                                       | 4   | Disability                     | <b>47,056</b>    | 20,326    |
|                                       | 10  | Elderly people                 | <b>238,712</b>   | 239,629   |
|                                       | 33  | Other field of interest        | <b>1,853,705</b> | 2,311,559 |
| (c) Field of interest                 | 175 |                                | <b>3,202,526</b> | 3,612,594 |
| (h) Grassroots<br>Endowment Challenge | 37  | Small & local voluntary groups | <b>165,224</b>   | 161,563   |

|                                  |                        |                                | <b>2023</b>    | 2022     |
|----------------------------------|------------------------|--------------------------------|----------------|----------|
|                                  | <b>Number of funds</b> | <b>Purpose of fund</b>         | <b>£</b>       | <b>£</b> |
| (i) Community First<br>Programme | 19                     | Small & local voluntary groups | <b>320,778</b> | 420,724  |
| (k) Revenue Legacy<br>Provision  | 1                      | Hickmott Legacy                | <b>0</b>       | 20,000   |

Donor directed grants - certain donors have reserved the right to instruct Quartet how to distribute the income from their funds. A total of £1.59m of our grants were "donor Directed" and of that amount £574k went to organisations outside our geographic area.

**Quartet Community Foundation**

**Notes to the financial statements**

**For the year ended 31 March 2023**

**26. Grants payable**

The total number and value of grants payable, analysed by grant beneficiary, is as follows:

|   |              | <b>2023</b>             | 2022             |
|---|--------------|-------------------------|------------------|
| <b>Payable by primary beneficiary</b>                       | Number       | £                       | £                |
| Carers  | 11           | <b>48,203</b>           | 81,541           |
| Ex-offenders/Offenders & People at risk of offending        | 15           | <b>60,300</b>           | 51,571           |
| Families  | 64           | <b>265,661</b>          | 254,524          |
| LGBTQ+  | 3            | <b>5,000</b>            | 17,000           |
| Local Residents   | 307          | <b>2,077,146</b>        | 1,602,515        |
| Long term health or life-limiting condition                 | 46           | <b>98,117</b>           | 65,700           |
| Long term unemployed  | 1            | <b>5,000</b>            | 8,218            |
| People experiencing homelessness                            | 28           | <b>62,400</b>           | 121,746          |
| People living in poverty / disadvantage                     | 477          | <b>2,369,874</b>        | 1,166,592        |
| People living in rural areas                                | 10           | <b>54,359</b>           | 39,000           |
| People living in urban areas                                | 26           | <b>116,636</b>          | 40,016           |
| People living with alcohol / drug additions                 | 5            | <b>20,880</b>           | 41,527           |
| People living with mental health problems                   | 59           | <b>595,188</b>          | 453,231          |
| People living with physical or sensory disabilities         | 39           | <b>214,724</b>          | 453,190          |
| People with learning disabilities                           | 70           | <b>246,925</b>          | 170,672          |
| Refugees / asylum seekers / vulnerable migrants             | 43           | <b>182,291</b>          | 187,080          |
| Victims or survivors of crime / violence / abuse            | 12           | <b>52,389</b>           | 136,986          |
| Young people not in education, employment & training (NEET) | 10           | <b>41,640</b>           | 32,825           |
| Lapsed grants   | 0            |                         | (75,029)         |
|   | <u>1,226</u> | <u><b>6,516,733</b></u> | <u>4,848,905</u> |

**27. Financial instruments**

|  | <b>2023</b> | 2022 |
|--|-------------|------|
|  | £           | £    |

Financial assets that are debt instruments measured at amortised cost comprise the following:

|                               |                         |                  |
|-------------------------------|-------------------------|------------------|
| Gift aid receivable           | <b>22,067</b>           | 202,712          |
| Other debtors and prepayments | <b>1,408,600</b>        | 1,053,150        |
| Total                         | <u><b>1,430,667</b></u> | <u>1,255,862</u> |

Financial liabilities measured at amortised cost comprise the following:

|                              |                       |                |
|------------------------------|-----------------------|----------------|
| Trade creditors              | <b>7,009</b>          | 44,934         |
| Taxation and social security | <b>17,842</b>         | 15,415         |
| Other creditors              | <b>47,546</b>         | 59,871         |
| Accruals and deferred income | <b>64,063</b>         | 72,726         |
| Grants payable               | <b>790,697</b>        | 746,358        |
|                              | <u><b>927,157</b></u> | <u>939,304</u> |

The company has no foreign currency or interest rate derivative financial instruments.