

Company Registration No. 08332279

Charity Registration No. 1150338

The Serco Foundation

(a company limited by guarantee)

Annual Report and Financial Statements

for the year ended 31 December 2020

TheSerco Foundation

Report and financial statements 2020

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The Serco Foundation

Legal and administrative details

Directors/Trustees

Keith Archer-Jones
David Richardson
John Weller
Kate Steadman

Secretary

Serco Corporate Services Limited

Registered office

Serco House
Bartley Wood Business Park
Bartley Way
Hook
Hampshire
RG27 9UY

Company number

08332279

Charity number

1150338

Bankers and investment manager

Barclays Bank
11 Melville Crescent
Edinburgh
EH3 7LU

Solicitor

Farrer & Co LLP
66 Lincoln's Inn Fields
London
WC2A 3LH

Auditor

KPMG LLP
15 Canada Square
London
United Kingdom
E14 5GL

The Serco Foundation

Trustees' report

The Trustees present their annual report on the affairs of the Foundation, together with the financial statements, for the year ended 31 December 2020. This report and the financial statements have been prepared in accordance with the provisions applicable to small companies entitled to the small companies' exemption, and accordingly, exemption has been taken from preparing a Strategic Report. The financial statements have been prepared in accordance with the accounting policies set out on page 12 and 13.

The legal and administrative details set out on page 3 form part of this report. The financial statements comply with the current statutory requirements, its Articles of Association and the Statement of Recommended Practice 2019 – Accounting and Reporting by Charities. The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards, the Charities Act 2011 and the Companies Act 2006.

Principal activity

The principal activity of the Foundation is to work as an independent charity operating within the geographical regions where Serco Group plc (Serco) operates.

Objectives and activities

The objectives of the charity are:

- For the benefit of the public, the promotion and improvement of the efficiency and effectiveness of charities, in particular by the provision of advice and other forms of support to charities.
- Such other purposes for the benefit of the public as shall be exclusively charitable as the Trustees from time to time may determine.

As detailed in the 2017 Trustees' Report, the Trustees came together in 2017 to refresh the Foundation's strategy and in the process of doing so also constituted a more specific mission for the Foundation. This was decided to be: 'to support non-profit distributing organisations to enhance public service outcomes for citizens'. Such organisations to be supported include charities, social enterprises, academic organisations and others that do not distribute profit. Since this decision, the Foundation has sought to support these initiatives delivered by chosen charitable partners through grant-making activities or through the donation of Serco employee skills and time.

In 2020 the Serco Foundation continued to have the full support of the Serco Group plc management team. This also included some further increased time given from Serco Group personnel to implement the Foundation's Coronavirus Community Support Fund (CCSF). As a result, the Serco Foundation made great strides in 2020, generating significant positive impact through the CCSF (more details below) and widespread involvement and goodwill amongst employees around the world.

Plans for the future

The success of the CCSF provides the Foundation with a great opportunity to leverage the enthusiasm of employees around the world for future endeavours. We are now putting in place the processes necessary to harness the fundraising enthusiasm of employees which the CCSF catalysed, and which will contribute to the longevity of the Foundation. Such processes include: clear communications to employees on how they can get involved with the Foundation outside the CCSF; the prioritisation of applications from Serco colleagues as opposed to external applications given the widespread interest amongst employees around the world; the prioritisation of applications which request a financial grant while also proposing or offering the opportunity for in-kind support, such as providing charities with professional know-how or volunteering time; and finally, in order to make these applications as impactful and relevant as possible, we have further narrowed grant criteria to ensure they more closely align with the Foundation's objectives.

The Serco Foundation

Trustees' report (continued)

Structure, governance and management

The Serco Foundation was incorporated on 14 December 2012 as a company limited by guarantee, which is governed by its Articles of Association. The operations and running of the Serco Foundation are fully independent from Serco Group plc, however unpaid administrative and governance support is provided where necessary.

The Articles of Association of the Foundation were updated and finalised at the end of June 2016 and provide for an Ex Officio Chairman, up to three Internal Trustees selected by Serco Group plc from employees of the Serco Group of companies, and three External Trustees who are appointed by the Board of Trustees and are not employees of the Serco Group. No other person or body external to the charity is entitled to appoint trustees.

All Trustees are inducted into the aims and objectives of the Serco Foundation before they are appointed. At one Board meeting each year as an early agenda item there is a reminder to Trustees of their key responsibilities.

The Chairman and the Trustees take the strategic decisions and approve the way ahead at formal Board meetings. Between Board meetings they delegate the tactical day-to-day decisions to the Secretary, who circulates information to Trustees as necessary, if an Out of Committee decision is required.

To consider particular decisions in more depth, temporary sub groups are set up, led by a Trustee, but with the ability to draw on expertise from external advisers and the wider Serco Group.

The Foundation's policy is to issue grants or support 'in kind' in accordance with our charitable objectives.

The primary purpose of the Trustees' grant giving activities is to support charities which align with the Serco Foundation objectives.

The Trustees have considered the major risks to which charities are exposed and have established appropriate systems and processes to manage these risks.

Four formal Serco Foundation Board meetings took place in 2020: in April 2020, July 2020, October 2020, and November 2020.

Trustees

The Members and Trustees who held office during the year and to the date of this report were as follows:

Keith Archer-Jones
David Richardson
John Weller
Kate Steadman

Trustees' indemnities

The Foundation has made qualifying third party indemnity provisions for the benefit of the Trustees which were made during the period and remain in force at the date of this report.

Related party transactions

The Serco Foundation had a related party relationship with Serco Group plc as in 2020 Kate Steadman was a Trustee of the Serco Foundation and employee of Serco. There have been no transactions between the Foundation and any of its related parties during the year.

The Serco Foundation

Trustees' report (continued)

Achievements and performance

Since 2020, the Covid-19 pandemic has challenged the world in unprecedented ways, and redefined how we care for each other during a time of crisis. The Serco Foundation was determined to play its part by launching its 'Coronavirus Community Support Fund' (CCSF) on 27th March 2020. Serco's nearly 60,000 employees were invited to nominate voluntary organisations known to them, the only criteria being that these organisations provided valuable support to others during the worldwide pandemic – we were met with an overwhelming response from Serco employees around the world. Employees applied for donations from a wide range of organisations – from food banks to homeless shelters, from places of worship to community organisations delivering vital supplies to those shielding. The Foundation was pleased to support some large organisations confronting the hidden enemy of Covid-19, but chose to focus on the inspiring and valuable work being carried out by smaller, grassroots organisations. More detail on this can be seen on our website: www.sercofoundation.org

Through the CCSF, we are proud to report that the Serco Foundation has played a small, but impactful role in helping to alleviate the damage caused by Covid-19. In 2020, the CCSF made 300 donations to the sum of £546,196, across 19 individual countries. In addition, we made four other donations outside of the CCSF, with a focus on those charities that were not Covid-19 related and, therefore, may have suffered fewer donations.

The Serco Foundation could not have achieved this impact without the commitment of its trustees - each of whom scrutinised every application to the CCSF – and Serco employees around the world who embraced the opportunity to support their local communities through the Foundation.

Public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Serco Foundation's aims and objectives and in planning future activities. In particular the Trustees considered how planned activities will contribute to the aims of the Serco Foundation and the objectives they have set and have therefore complied with the duty in section 17 of the Charities Act 2011.

Taking into account the achievements and beneficiaries of the Serco Foundation as described below, the Trustees confirm that due regard had been paid to the public benefit guidance published by the Charity Commission.

Financial review and reserves

The Serco Foundation received income of £120,343 (2019: £155,145) from investments and bank interest, and £nil (2019: £nil) from other individual donations. Along with net gain on investments of £203,467 (2019: loss £540,914) and funds carried over from the previous financial year, this has enabled us to deliver our activities as outlined in the achievements and performance section above and resulted in a deficit in 2020 of £279,541 (2019: surplus £639,936) for the year. The trustees consider the results of the Serco Foundation to be satisfactory.

As at 31 December 2020, unrestricted funds for the year were £5,957,289 (2019: £6,236,830).

Barclays Wealth and Investment Management manage the investments on the Foundation's behalf within guidelines related to ethical and investment activities as set by the Foundation and provide regular updates to Trustees.

Reserves policy and going concern

Whilst there's no current formal policy, the Trustees intend to hold sufficient funds in reserve so as to ensure the charity can continue to meet its long term objectives. The Trustees will finalise its full fundraising strategy with the aim of expanding its charitable activities in the future.

The Serco Foundation

Trustees' report (continued)

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds and investments held to support from the excess of income received over the costs of administering the charity. The charity therefore has no specific commitments and no committed costs beyond its fixed costs of operation which are detailed in note 3 and 4.

The Trustees have reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period. The Trustees have also considered the implications of COVID-19 on these cash flow forecasts and consider that as a result of its operating model explained above, even if no further external funding is received in the 12 month period, the charity has sufficient cash reserves and available investments to pay all committed costs.

Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Post balance sheet events

Coronavirus (COVID-19) was originally identified as a disease in China late in 2019. Following global transmission of the disease early in 2020, Europe and other continents began identifying cases which continued to rise in number such that on 12 March 2020 the World Health organisation characterised the outbreak of COVID-19 as a global pandemic.

The Foundation, owing to the nature of its operations, has no significant exposure to the pandemic. Whilst there is a risk that funding, and returns on investments, might be adversely impacted, this is considered unlikely to be a long-term impact. More pertinent is the opportunity afforded to the Foundation to assist projects and good causes in the regions in which the Serco Group operates. The Foundation has made a number of donations via its Coronavirus Community Support Fund during 2020 as has already been noted above.

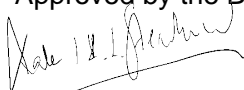
Disclosure of information to auditor

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Foundation's auditor is unaware; and each director has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Foundation's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board of Trustees and signed on its behalf by:



Kate Steadman

Trustee

Serco House, Bartley Wood Business Park
Bartley Way, Hook
Hampshire RG27 9UY

24 September 2021

The Serco Foundation

Statement of Trustees' responsibilities in respect of the trustees' annual report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of The Serco Foundation

Opinion

We have audited the financial statements of The Serco Foundation ("the charitable company") for the year ended 31 December 2020 which comprise the Statement of financial activities (including income and expenditure account), Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Trustees, and internal legal counsel as to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected, or alleged fraud;
- Reading Board minutes; and

Independent auditor's report to the members of The Serco Foundation (continued)

- Using analytical procedures to identify any usual or unexpected relationships.

We communicated identified fraud risks throughout the audit and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition because the only source of income is from investments transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustee and other management (as required by auditing standards), and discussed with the Trustee and management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably. The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, charities legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This Company, as a Charities, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Report, which constitutes the directors' report for

Independent auditor's report to the members of The Serco Foundation (continued)

the financial year, is consistent with the financial statements; and

- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Trustees responsibilities

As explained more fully in their statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company'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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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



Mark Wrigglesworth (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London E145GL
United Kingdom
27 September 2021

The Serco Foundation

Statement of financial activities (including income and expenditure account)

Year ended 31 December 2020

	Notes	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Income from:			
Investments	2	120,343	155,145
Total income		120,343	155,145
Expenditure on:			
Fees	3	(17,835)	(35,083)
Charitable activities and governance costs	4	(584,516)	(21,040)
Total expenditure		(602,351)	(56,123)
Net income (expenditure) before net gains on investments		(483,008)	99,022
Net gain / (loss) on investments	7	203,467	540,914
Net movement in funds		(279,541)	639,936
Total unrestricted funds at start of year		6,236,830	5,596,894
Total unrestricted funds at end of year		5,958,289	6,236,830

All amounts represent unrestricted funds.

There are no recognised gains or losses for the current period other than as stated in the Statement of Financial Activities. Accordingly, no separate statement of total recognised gains and losses has been presented.

The results for the period are wholly attributable to the continuing operations of The Serco Foundation.

The accompanying notes form an integral part of the financial statements.

The Serco Foundation

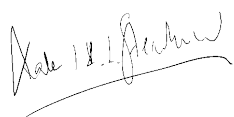
Balance sheet As at 31 December 2020

	Notes	2020 £	2019 £
Current assets			
Investments	7	5,415,387	5,999,742
Cash held by investment managers		462,413	146,514
Cash at bank and in hand		109,489	114,574
Creditors: Amounts falling due within one year:			
Accruals and deferred income	8	(29,000)	(24,000)
Net current assets		5,958,289	6,236,830
Funds of the charity			
Unrestricted funds		5,958,289	6,236,830
Total funds		5,958,289	6,236,830

All amounts represent unrestricted funds.

The accompanying notes form an integral part of the financial statements.

The financial statements of The Serco Foundation (company number 08332279) were approved by the Board of Trustees and were signed on its behalf by:



Kate Steadman

Trustee

24 September 2021

The Serco Foundation

Notes to the accounts Year ended 31 December 2020

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

Basis of accounting

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on October 2019, Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. SORP Update Bulletin 1 which was issued 2 February 2016 has also been adopted.

The Serco Foundation qualifies as a small company under the Companies Act 2006 and accordingly has taken advantage of the exemption available in the FRS 102 SORP applicable for periods commencing after 1 January 2016 to not prepare a cash flow statement.

Going concern

The Trustees consider the Serco Foundation to have sufficient reserves to meet its forecast commitments and they believe that the Serco Foundation has adequate resources to continue for a period of at least 12 months from the date of this report. In particular, the Trustees have considered the level of investments held both at 31 December 2020 and at the date of signing these financial statements, together with the value of donations committed but not yet paid. The Trustees have confirmed that sufficient reserves exist to make all committed payments along with other payments required to be made for at least 12 months from the date of this report. Accordingly, the Trustees consider it appropriate to adopt the going concern basis in the preparation of the Serco Foundation's financial statements.

Income

These are recognised in the Statement of Financial Activities (SoFA) when:

- The company becomes entitled to the resources;
- The Trustees are of the opinion that receipt is probable; and
- The monetary value can be measured with sufficient reliability.

Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SoFA.

Donated services and facilities

These are only included in the SoFA (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received. It is not possible to reliably measure the value of donated administrative services supplied by Serco Group plc.

Expenditure

Expenditure is included in the SoFA on an accruals basis when incurred and includes attributable VAT which cannot be recovered.

Resources expended comprise the following:

- Charitable expenditure – being those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries.

The Serco Foundation

Notes to the accounts

Year ended 31 December 2020

1. Accounting policies (continued)

- Governance costs – being costs associated with meeting the constitutional and statutory requirements of the charity.

Tax

As a registered charity, the Foundation is exempt from corporation tax under the Corporation Tax Act 2010 or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

Fund accounting

All funds are unrestricted and are available to be used in accordance with the charitable objects at the discretion of the Trustees.

Investments

The Foundation invests in a mixture of listed equities, ETFs and non-listed funds with investments in equities and fixed income securities. All investments are initially recognised at their transaction value including fees and duty. They are subsequently measured at their fair value as at the balance sheet date using the closing quoted market price or NAV per share provided by the fund managers. Changes in fair value are recognised in the statement of financial activities. Realised and unrealised investment gains and losses are combined and shown in the heading “Net gains on investments” in the statement of financial activities. The charity does not use short selling, enter into derivative contracts or other complex financial instruments. Fees payable in relation to the management of the Foundation’s investments are recognised in the statement of financial activities on an accruals basis.

2. Income from investments

	2020 £	2019 £
Dividends	67,248	95,936
Interest on investments	52,822	58,878
Bank interest	273	331
	<u>120,343</u>	<u>155,145</u>

3. Fees

	2020 £	2019 £
Investment fees	(17,835)	(35,083)
	<u>(17,835)</u>	<u>(35,083)</u>

The Serco Foundation

Notes to the accounts

Year ended 31 December 2020

4. Charitable activities and governance costs

	2020 £	2019 £
Grant to NHS Lanarkshire	-	(5,000)
Grant to Soldiers' Arts Academy	-	(10,000)
Coronavirus Community Support Fund	(546,196)	-
Other grants	(32,902)	-
Support costs – Governance costs (note 5)	(5,418)	(6,040)
	<u>(584,516)</u>	<u>(21,040)</u>

5. Support costs

	2020 £	2019 £
Administrative expenses	(418)	(40)
Fees payable to the auditor for the audit of the charity's annual accounts	(5,000)	(6,000)
	<u>(5,418)</u>	<u>(6,040)</u>

There were no employees in the year (2019: none) and accordingly no employee benefits paid (2019: nil).

6. Trustees' remuneration

None of the trustees received any remuneration or reimbursement of expenses in respect of their services during the year (2019: none).

7. Investments

	2020 £	2019 £
Fair value at start of year	5,999,742	5,348,811
Additions at cost	1,481,943	1,733,360
Disposal proceeds	(2,269,766)	(1,623,343)
Net gain / (loss) on change in fair value	203,468	540,914
Fair value at end of year	<u>5,415,387</u>	<u>5,999,742</u>
Historic cost at the end of the year	4,866,578	5,555,418

The Serco Foundation

Notes to the accounts Year ended 31 December 2020

Investments comprise:

	2020 £	2019 £
UK investments	1,146,684	1,374,472
Non-UK investments	4,268,702	4,625,270
	<u>5,415,386</u>	<u>5,999,742</u>

Investments representing over 5% by value of the portfolio comprise:

	2020 £	2019 £
Invesco Perpetual Global Targeted Returns Fund*	237,644	309,773
PIMCO Funds Global Inv - Diversified Income	306,131	-
	<u>543,775</u>	<u>309,773</u>

* Investment still held as at 31 December 2020 but no longer represents 5% by value of the portfolio

8. Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals	29,000	24,000
	<u>29,000</u>	<u>24,000</u>

9. Liabilities of members

The Serco Foundation is a company limited by guarantee. In the event of winding up, the maximum amount guaranteed to be contributed by each member is £1.

10. Related party transactions

The Serco Foundation had a related party relationship with Serco Group plc as in 2020 Kate Steadman was a Trustee of the Serco Foundation and employee of Serco. There have been no transactions between the Foundation and any of its related parties during the year.