

Confidential

UBS Optimus Foundation UK

Annual Report and Financial Statements

Company Limited by Guarantee
Registration Number
08608213 (England and Wales)

Charity Registration Number
1153537

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Section 1

Reports

Legal and administrative information

Trustees / Directors	Eva Lindholm (Chair) Vineet Bewtra Phyllis Costanza Siobhan McDonagh (resigned 31 January 2022) Edoardo Rulli Paul Vail
Company Secretary	Buzzacott Secretaries Limited
Registered Office	5 Broadgate London EC2M 2QS
Company Registration Number	08608213 (England and Wales)
Charity Registration Number	1153537
Auditor	Ernst & Young LLP 25 Churchill Place London E14 5EY
Bankers	UBS AG London Branch 5 Broadgate London EC2M 2QS
Investment Managers	UBS AG London Branch 5 Broadgate London EC2M 2QS
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE

Strategic report: 31 December 2021

Review of the business

UBS Optimus Foundation UK (the "Foundation" or the "Charity") was incorporated as a charitable company on 12 July 2013 and is registered with the Charity Commission. The Foundation is committed to the well-being of children in need around the world and supports initiatives to improve their education, protection, health and environment. The Foundation is part of the global UBS Optimus Foundation.

It was the Trustees' belief that the combination of regulatory complexity and running costs often prevented money being given to charity. The Foundation was created to make it easier to give money to charities around the world and the strategy remains to further this aim.

In pursuit of the objectives above, the principal achievements of the Foundation in 2021 are raising funds totalling £30.5m from donors and granting £29.7m to around 50+ beneficiary organisations to carry out projects which further the Foundation's aims. Further, the continued execution of the Foundation's strategy to leverage off the existing infrastructure and expertise within UBS AG London Branch (the "Member") enables the Foundation to maintain a low cost base and focus on its core principal activity of making it easy for donors to give to charities around the world.

The UBS Optimus Foundation UK collaborates and is supported by a network of related organisations consisting of the UBS Optimus Foundation in Switzerland, its branch in Hong Kong, and the representative office in China, its sister organisations UBS Optimus Foundation Deutschland, UBS Optimus Foundation India and UBS Optimus Foundation Singapore, as well as a donation platform in the United States.

Risk management

The major risks to which the Foundation is exposed, as identified by the Trustees, have been reviewed and systems or procedures have been established to manage those risks. Risks are documented in a Risk Framework and Register which is reviewed by the Trustees and the Member as an additional measure. This document also outlines the systems, procedures and controls in place to manage those risks. This Framework is reviewed by the Trustees at least once a year. The Foundation takes advice from its solicitors, Bates Wells, on any matters identified by the Trustees as requiring external legal counsel.

The Charity is in part reliant on UBS AG London Branch, which is the sole Member of UBS Optimus Foundation UK and provides support, including staff and infrastructure. We do not have any reason to believe there is any risk in the continued support of UBS AG London Branch. For further details of the Charity's immediate controlling party and ultimate parent undertaking, see note 14 to the accounts.

The Trustees of the Foundation have assessed the impact of the United Kingdom's withdrawal from the European Union ("Brexit") and have considered the implications of Brexit on the operations of the Foundation. In this regard, the Trustees noted the official departure on 31 January 2020 and the transition period ending 31 December 2020 with the future relationship between the United Kingdom and the European Union being further defined. The Trustees do not anticipate any impact of Brexit on the operation of the Charity and they will continue to monitor the impact and take action as appropriate.

The war in Ukraine has led to one of the largest humanitarian crises in decades, severe sanctions imposed by various governments on Russia and certain Russian entities and nationals, a mass exodus of businesses from Russia, and heightened volatility across global markets. The long-term consequences are still difficult to assess, but there will likely be global ramifications that are felt for some time. The Trustees consider that there is no direct impact of on the operation of the Charity and they will continue to monitor the impact and take action as appropriate.

Key identified risks include:

Law and regulation risks

Risk: Breach of charity law, company law, and regulatory requirements of particular activities undertaken by the Charity.

Mitigation: The Trustees are advised by specialists in areas of charity law, company law and financial regulation.

Governance framework

Risk: Inappropriate organisational structure and conflicts of interest.

Strategic report: 31 December 2021

Mitigation: The Trustees follow best practice and take advice on the organisational structure. A register of interests is maintained by the Company Secretary.

Operational risks

Risk: Fraud and misappropriation of assets and/or cash.

Mitigate risk: The operation of the Charity and its donors' accounts are subject to the same anti-fraud controls as all other accounts managed by the Member and are subject to both external and internal audit.

Financial risks

Risk: Accuracy and timeliness of financial information, adequacy of reserves and cash flow, diversity of income sources and investment management.

Mitigation: Donors are aware of the liquidity and risk profile of their investments and receive regular statements informing them of the current asset value and the risks profile of those investments. The Foundation's financial information is subject to annual external audit.

Programme-related investments (PRI)

Risk: Intended outcomes may not be achieved.

Mitigation: The same risk applies to grants. This risk is mitigated through a thorough due diligence process on loan recipients (which includes a review of the borrower's strategy and the project the PRI loan will support, finances, governance and social impact), which is documented in the PRI Due Diligence Form.

Risk: Borrowers may default on their loan.

Mitigation: Trustees consider all the relevant issues and take advice where appropriate, and reach a reasonable decision in regard to enforcement.

Effect of Coronavirus

During the year 2021 to the date that the Financial Statements were approved, the coronavirus disease 2019 (COVID-19) outbreak had spread globally and caused extensive disruptions to businesses as well as economic activities globally with no exception for the UK.

We have considered the effects of COVID-19 on the Charity's operations and have concluded that the impact on it is likely to be limited.

Following the advice issued by the UK Government regarding employees working from home and other social distancing measures, we have enacted procedures to facilitate this and have a detailed plan that enables effective operation to continue whilst employees are not physically present in the Foundation's offices.

We do not foresee this having an impact on the entity's ability to continue as a going concern as the Foundation's immediate controlling party, its sole Member, has sufficient financial resources to commit to providing additional funding in the event that it is required to fund the Foundation's continuing operations.

In terms of continuity of business operations, UBS Optimus Foundation UK is included in the Business Continuity Strategy of UBS AG. With regard to fundraising, UBS Optimus Foundation UK has several long-term strategic streams of funding. Therefore, the Foundation expects to be able to continue normal operations through working from home for as long a period as may be advised.

Strategic report: 31 December 2021

Future plans

The priorities for the Foundation for 2022 and beyond are to continue to build the portfolio of high quality, strategic programmes funded for the benefit of society globally, in the areas of health, education, child protection and environment as well as emergency response and social finance. The Foundation also seeks to offer innovative solutions for solving some of the world's most pressing problems, including development impact bonds and programme- related investment opportunities.

As the Foundation looks to 2022 and beyond, it will increasingly seek to work in collaboration and partnership in order to maximise impact. The Foundation believes in philanthropy working together as a driver of change and is committed to harnessing the power of collective partnerships with philanthropists, organisations and governments.

As the Foundation looks to 2022 and beyond, it will increasingly seek to work in collaboration and partnership in order to maximise impact. The Foundation believes in philanthropists working together as a driver of change and is committed to harnessing the power of collective partnerships with philanthropists, organisations and governments. In 2021, the Foundation launched the Collectives in partnership with UBS. Bringing together philanthropists, best-in-class non-profit organisations, social enterprises and experts, to drive collective impact by developing sustainable philanthropic solutions that catalyse social and environmental change. UBS clients who become Collective members embark on a philanthropic strategy and leadership programme, and develop expertise in strategic, high-impact philanthropic solutions working towards systems change across a range of issues. To date, Collective members have pledged more than USD 20 million towards three collective impact programs run by the Foundation. The Collectives have been very well received by partners and UBS clients, and the Foundation plans to continue and expand the initiative.

The objective is to ultimately increase impact; strengthen philanthropist's understanding of strategic philanthropy and systems change, and allow philanthropists to build their knowledge, confidence, network and philanthropic leadership skills.

Approved by the Trustees and signed on their behalf by:

Trustee name: Eva Lindholm

Signature:



Date: 26/09/2022

Trustees' report: 31 December 2021

The Trustees (who are the directors of the company for the purpose of the Companies Act) present their annual report incorporating the strategic report and audited financial statements of UBS Optimus Foundation UK ("the Foundation") for the year ended 31 December 2021.

The report has been prepared in accordance with Part 8 of the Charities Act 2011. In preparing the report in future years, consideration will be given to the Charities Act 2022.

The financial statements have been prepared in accordance with the accounting policies set out on pages 21 to 23 of the attached financial statements and comply with the charitable Foundation's Memorandum and Articles of Association, Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Aims and objectives

The objects of the Foundation as set out in the Articles of Association are: to promote the health of children by (without limitation) preventing abuse and supporting the delivery of medical and other essential services to them; the prevention and relief of poverty by (without limitation) the provision of education to support the healthy development of children; to relieve the needs of children who are in need due to their youth, sickness or financial hardship; and any other purposes as are regarded as exclusively charitable under the law of England and Wales as the Trustees may from time to time see fit. The Foundation aims to source and fund high impact programmes delivering improved outcomes for vulnerable children in the areas of health, education and protection in furtherance of the charitable objects. The Foundation seeks out partners that are transparent, accountable and well managed, and programmes which are based on robust evidence, utilising innovations which may be replicable and potentially game changing. Programmes are selected following a rigorous application process involving external review, and all work funded by the Foundation is subject to an external evaluation. Since 2020, the Foundation focuses also on environmental programmes.

In addition, the Foundation aims to connect UBS AG clients with the Foundation's projects in order to raise additional funding for and leverage the potential social impact for these projects benefitting beneficiaries.

The key activities of the Foundation in 2021 in pursuit of public benefit have been:

Grant making and criteria for funding

The principal aim for the Foundation is to make direct grants to programmes within the Foundation's charitable objects or to make grants to UBS Optimus Foundation in Switzerland to disburse to projects within the Foundation's charitable objects.

In the case of direct grants, the Foundation works with UBS Optimus Foundation in Switzerland to source and assess effective and appropriate programmes for direct funding which further the Foundation's aims. In addition, UBS Optimus Foundation in Switzerland will support with the relevant due diligence checks on potential grantees including any collaborating partners and will also propose engaging programmes for the Foundation's Trustees to approve at their discretion.

The number of projects which can be supported is, of necessity, limited to the amount of funds available for distribution in any year. The Trustees have determined that the priorities for funding over the next five years will be based on:

- Thematic priority: education, public health, nutrition, the reduction of violence against children, environment and any other purposes as are regarded as exclusively charitable under the law of England and Wales as the Trustees may from time to time see fit;
- Social finance: the furthering of the development of financing mechanisms to increase efficiency and impact; and
- Collaborative working: the Foundation strongly encourages applications that involve partnerships between organisations of different disciplines, and between non-governmental organisations and universities or other research institutions.

Trustees' report: 31 December 2021

Applications for funding will be assessed by a panel of experts according to the specific criteria noted below:

- Topic relevance and responsiveness – does the proposal address a key need relevant to the Foundation's objects, priorities and/or a specific Request for Proposals (RFP)?;
- Innovative, state-of-the art approach – does the proposal provide “out-of-the-box” thinking to link education, health and/or violence prevention, and will findings advance the field?;
- Feasibility – are the goals and milestones clearly defined and achievable; is there a clear and logical organisational structure to carry out the work?;
- Scale-up and replication – is there potential to scale up with a clear path for further support (e.g. preliminary data that can be used to develop a project proposal to the UBS Optimus Foundation or other funders)?;
- Generating evidence – is there potential for measurable outcomes and is there a robust plan for monitoring and evaluation?

Trustees approve all grants supported by the Foundation.

Grantees are expected to report on a bi-annual basis against key performance indicators and milestones agreed in the approved application.

The Foundation may also make programme-related investments (see "Charities and investment matters: a guide for Trustees"). Additional considerations apply to such investments, as outlined in the full grant making policy. In 2017, a programme-related investment loan was transacted to Hope and Homes, for £1.44m. Hope and Homes works to remove children from harmful orphanage environments and place them with a loving, nurturing family. The loan is invested in the organisation's core growth strategy in pursuit of sustainably achieving scale. Following a restructure of the PRI loan in January 2020, the loan is now repayable in instalments, with the final payment date being 30 June 2030 (previously 30 June 2022). The principal amount of the loan outstanding carries interest at a rate of 2%, accruing daily. Interest is payable on each anniversary of the date of drawdown until June 2022 only.

During 2018, a second loan was made for an amount of \$500,000 (£394k) to Impact Water. The loan amount was drawn down on 30 July 2018 and has been given in order to provide safe drinking water to schools by providing an affordable package of systems, maintenance and credit that improves children's health and their school performance. This loan is repayable in full on the final repayment date 30 July 2023. The principal amount of the loan outstanding carries interest at a rate of 5%, accruing daily. Interest is payable on each anniversary of the date of drawdown and the final repayment date.

Related parties

The principal funding source of the Foundation is UBS AG London Branch, the Member of the Foundation, which provides in kind support by way of office space, support staff, IT and telephone, marketing, operations, finance, in-house legal support, and clients of UBS AG who can make donations to programmes that have been assessed and selected by the Foundation. UBS AG is committed to funding the Foundation's activities even though there is no formal agreement in place. Gifts in kind in the form of donated services received from UBS AG London Branch that cannot be quantified with reasonable accuracy are not recognised by the Foundation. All other donated services are recognised in these financial statements. A comprehensive Cooperation Agreement outlines how the Member and the Foundation work together.

Activities and achievements

In pursuit of the aims and objectives above, the principal achievements of the Foundation in 2021 are:

Income from fundraising totalled £30,530,964 (2020: £26,518,566) – an achievement on the fundraising target set for the year. This sum includes income for the sixth offering of the innovative Global Giving Campaign (first launched by the Foundation in 2014).

Grants were pledged totalling £29,149,547 (2020: £25,702,619). Details of the recipient organisations granted to, along with the grant amounts are presented in note 3 to the financial statements.

In the year, consultancy fees amounting to £365,150 (2020: £54,610) were paid to several organisations, which are also detailed in note 3 to the financial statements.

Trustees' report: 31 December 2021

Governance, structure and management

Constitution

UBS Optimus Foundation UK ("the Foundation") is a registered charity (Charity number 1153537) with the Charity Commission of England and Wales and a company limited by guarantee registered in England and Wales (Company number 08608213) incorporated 12 July 2013. Governance is by a Board of Trustees (the "Board") and Memorandum and Articles dated 12 July 2013.

Guarantor/Member

The Guarantor and sole Member of the Foundation is UBS AG London Branch (the "Member"). In the event of the Foundation being wound up, the liability of the Member is limited to £1.

Trustees

The Trustees constitute directors of the Foundation for the purposes of company law and Trustees of the Charity for the purposes of charity legislation. The Trustees who held office during the year and after the year end, and their appointment and resignation dates if these occurred during that period, were as follows:

Trustee	Appointment / Resignation
Eva Lindholm (Chair) ¹	Appointed 18 December 2017
Vineet Bewtra	Appointed 11 August 2020
Phyllis Costanza	Appointed 16 December 2016
Siobhan McDonagh ¹	Appointed 13 December 2018 – Resigned 31 January 2022
Edoardo Rulli ¹	Appointed 13 December 2018
Paul Vail	Appointed 05 December 2019

Note: 1 Employed by UBS

The Board (with the exception of Paul Vail and Vineet Bewtra) are all UBS AG employees and all, including Paul Vail and Vineet Bewtra, were nominated and approved by the Member.

The Foundation has indemnified all Trustees in respect of any liabilities properly incurred in running the Foundation to the extent permitted by the Companies Act. When recruiting new Trustees, the Board look for individuals with skills and experience which are of value to the Foundation. Training is arranged for all Trustees and all Trustees must sign a Trustee declaration which states that they understand their duties as a Trustee and have read the relevant conflict of interest policies. The Board is responsible for the oversight and governance which includes approval of all grants made by the Foundation.

The Trustees have delegated the responsibility for the investment management, custody, and bookkeeping of the Foundation to the Member. The Member provides office space, support staff, IT, marketing, operations, finance and in-house legal support to the Foundation.

Key management personnel

The key management personnel of the Foundation in charge of directing, controlling, running and operating the charity comprise the Trustees and the following staff employed by UBS AG, which include but are not limited to the Head of Philanthropy Services UK; a Business Management team; a Philanthropy Advisory team, and a Business Development team.

These staff are employed by and remunerated by UBS AG, which is also responsible for setting their remuneration. No charge is made by UBS AG for their services. The Trustees receive no remuneration or reimbursement of expenses in connection with their duties as Trustees.

Trustees' report: 31 December 2021

Financial review

Statement of financial activities

The Foundation received income of £30,642,806 (2020: £26,642,584) in the form of £30,530,964 (2020: £26,518,566) cash donations, £59,760 (2020: £52,120) gifted services from the Member, £4,059 (2020: £23,760) interest income from cash at bank and £46,595 (2020: £48,139) of income from programme-related investments. Expenditure totalled £29,724,607 (2020: £25,809,349), of which £29,664,697 (2020: £25,702,619) was paid out as charitable grants, £365,150 (2020: £54,610) was expended for consultancy fees and £59,760 (2020: £52,120) was incurred as support and governance costs. Total losses of £18,847 (2020: £350,432) were recognised as a result of foreign exchange. All of the Foundation's operating costs are paid by UBS AG, and are essentially unknown.

Balance sheet

The Foundation's balance sheet shows total funds of £9,064,854 at 31 December 2021 (2020: £8,165,501). £8,108,944 (2020: £6,716,868) represents restricted funds held for the purposes of making grants and PRI. Unrestricted funds and free reserves total £955,910 (2020: £1,448,633).

Investment policy

The Trustees have not yet established a formalised investment policy. This is considered a minor risk as at this stage the Foundation intends to spend any income it receives directly on grants furthering its charitable mission. This is reviewed periodically. Funds are currently held in cash in the Foundation's bank accounts.

Reserves policy

The Foundation currently has no formalised reserves policy. This is due to the fact that the Member covers the costs of the Foundation and that any additional funding is intended to be spent in its entirety on the projects to improve the outcomes for children. There is no intention at this stage of holding reserves, as these have not been deemed necessary to the functioning of the Foundation. This policy will be reviewed annually.

Going concern

The Foundation's activities, together with the factors likely to affect its future development, performance and position are set out within this report. The financial position of the Foundation is reflected on the balance sheet. At 31 December 2021, unrestricted funds and free reserves totalled £955,910 (2020: £1,448,633).

The Trustees of the Foundation have concluded that there are no material uncertainties related to events or conditions that cast significant doubt on the ability of the Foundation to continue as a going concern. The Trustees are of the opinion that the Foundation will have sufficient resources to meet its liabilities as they fall due, as they believe that UBS AG will continue to support the Foundation's activities. The Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future for a period of 12 months from the date of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Trustees' report: 31 December 2021

Disclosure of information to the auditor

So far as each person who was a Trustee at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Trustees, each Trustee has taken all the steps that he/she is obliged to take as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Trustees and signed on their behalf by:

Trustee name: Eva Lindholm

Signature: 

Date: 26/09/2022

Statement of Trustees' responsibilities: 31 December 2021

The Trustees (who are also directors of UBS Optimus Foundation UK for the purposes of company law) are responsible for preparing the Trustees' report, Strategic report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice and FRS 102 "The Financial Reporting Standard Applicable to the UK and Republic of Ireland").

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom 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 charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- The Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Trustees and signed on their behalf by:

Trustee name: Eva Lindholm

Signature:



Date: 26/09/2022

Independent auditor's report: Year to 31 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UBS OPTIMUS FOUNDATION UK

Opinion

We have audited the financial statements of UBS Optimus Foundation UK (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, Principle accounting policies and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 charitable company's affairs as at 31 December 2021 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 United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 trustees' 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 charitable company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trustee's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

Independent auditor's report: Year to 31 December 2021

required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Strategic report and the Trustees' report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic report and the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept 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 prepare the financial statements in accordance with the small companies regime.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, 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 give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for 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 management either intends to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Independent auditor's report: Year to 31 December 2021

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are Charities Act 2011, Charities SORP (FRS 102), charitable Foundation's Memorandum and Articles of Association and Companies Act 2006. We understood how UBS Optimus Foundation UK is complying with those frameworks by making enquiries of management and reviewing minutes of the meetings of the Trustees.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override. We considered the controls that the charitable company has established to address risks identified by the trustees, or that otherwise seek to prevent, deter or detect fraud and how management and those charged with governance monitor those controls.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved the review of minutes of meetings of the Trustees, making inquiries of management; and performance of journal entry testing based on our risk assessment and understanding of the business, with a focus on non-standard journals.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mike Gaylor (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

DocuSigned by:

Ernst + Young LLP.

B78BCA23AF1B4ED...

London

Date: 27 September 2022

Section 2

Financial statements

Statement of Financial Activities:

Year to 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 £	2020 £
Income from:					
Donations	1	435,019	30,155,705	30,590,724	26,570,686
Investments	2	5,487	46,595	52,082	71,899
Total income		440,506	30,202,300	30,642,806	26,642,585
Expenditure on:					
Charitable activities	3	154,024	29,570,583	29,724,607	25,809,349
Total expenditure		154,024	29,570,583	29,724,607	25,809,349
Net income before gains and transfers		286,482	631,717	918,199	833,236
Net losses on investments		—	—	—	(15,503)
Transfers between funds	11	(739,096)	739,096	—	—
Other (losses) gains		(40,111)	21,264	(18,847)	(350,432)
Net (expenditure) income and net movement in funds		(492,725)	1,392,077	899,352	467,301
Reconciliation of funds:					
Total funds brought forward		1,448,633	6,716,868	8,165,501	7,698,200
Total funds carried forward		955,910	8,108,944	9,064,854	8,165,501

All of the Charity's activities are derived from continuing operations.

All recognised gains and losses are included in the above Statement of Financial Activities.

The accompanying accounting policies and notes on pages 21 to 31 form an integral part of the financial statements.

A comparative statement of financial activities is presented in note 16 to these financial statements.

Balance sheet:

As at 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets:					
Programme-related investments	7		1,711,187		1,808,782
Current assets:					
Debtors	8	128,502		710,654	
Cash at bank and in hand		10,624,960		9,193,117	
		<u>10,753,462</u>		<u>9,903,771</u>	
Creditors: amounts falling due within one year	9	(3,375,435)		(2,326,317)	
Net current assets			<u>7,378,027</u>		<u>7,577,454</u>
Total assets less current liabilities			<u>9,089,214</u>		<u>9,386,236</u>
Creditors: amounts falling due in more than one year	10		(24,360)		(1,220,735)
Total net assets			<u>9,064,854</u>		<u>8,165,501</u>
The funds of the Charity:					
Restricted income funds	11		8,108,944		6,716,868
Unrestricted funds			955,910		1,448,633
			<u>9,064,854</u>		<u>8,165,501</u>

The accompanying accounting policies and notes on pages 21 to 31 form an integral part of the financial statements.

Approved by the Trustees and signed on their behalf by:

Trustee name: Eva Lindholm

Signature:



Date: 26/09/2022

Statement of Cash Flows:

Year ended 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	1,398,608	(51,943)
Cash flows from investing activities:			
Investment income		52,082	71,899
Net cash provided by investing activities		52,082	71,899
Increase in cash and cash equivalents		1,450,690	19,956
Reconciliation of changes in cash and cash equivalents			
Cash and cash equivalents at 1 January 2021	B	9,193,117	9,523,593
Change in cash and cash equivalents due to exchange rate movements		(18,847)	(350,432)
Cash and cash equivalents at 31 December 2021	B	10,624,960	9,193,117

A Reconciliation of net movement in funds to net cash provided by operating activities

	2021 £	2020 £
Net movement in funds (as per statement of financial activities)	899,352	467,301
Foreign-exchange losses	18,847	350,432
Net losses on investments	—	15,503
Investment income	(52,082)	(71,899)
Decrease in programme related investment value	97,596	—
Decrease in debtors	582,152	23,245
(Decrease) in creditors	(147,257)	(836,525)
Net cash provided by operating activities	1,398,608	(51,943)

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	10,624,960	9,193,117

Principal accounting policies:

Year ended 31 December 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2021.

The financial statements are prepared on an accruals basis, and have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in Pound Sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including an expectation of future events that are believed to be reasonable under the circumstances. Although these estimates are based on the Trustees' best knowledge of the amount, event or actions, actual results may differ from those estimates.

Areas requiring the use of estimates and critical judgements that may impact on the Charity's financial activities and financial position include:

- Social investments, which require consideration of the nature of the investment to ensure that the substance of the arrangement is appropriately accounted for as either a "programme related investment" held at cost or a "mixed motive investment" held at fair value. This involves the Trustees' judgement on whether:
 - The investment is made in order to directly further the charitable purposes of the Foundation and where financial return is not the primary reason for making the investment (programme related); and
 - The investment is made to both further the Foundation's charitable purposes but also to generate a financial return (mixed motive investment).
- The Foundation classifies donations and grants received as either restricted or unrestricted income. These are treated as restricted income where the donor has specified that the monies be used for a particular purpose, usually by selecting a programme that suits their interests from the Foundation's global project portfolio. The income is treated as unrestricted when the donor has not specified such a purpose, and instead the Trustees may use it to support the Foundation's established programmes supporting the education, health and protection needs of children.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. This included an assessment of the possible effects of the continuing COVID-19 pandemic on the Charity's activities. The Trustees of the Foundation have concluded that there are no material uncertainties related to events or conditions that cast significant doubt on the ability of the Foundation to continue as a going concern. The Trustees are of the opinion that the Foundation will have sufficient resources to meet its liabilities as they fall due, as they believe that UBS AG will continue to support the Foundation's activities. The Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future for a period of 12 months from the date of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Principal accounting policies:

Year ended 31 December 2021

Income recognition

Income is recognised in the period in which the Foundation has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, gifted services and investment income. All income is accounted for on an accruals basis in accordance with the conditions of the SORP.

Donations are received from UBS AG clients and include related Gift Aid tax reclaims. Donations are recognised when the charity has confirmation of both the amount and settlement date. Gift Aid is recognised as revenue as at the date of the donation claiming Gift Aid contingent upon the FRS 102 revenue recognition principles of entitlement, probability, and measurement being met.

Gifted services in the form of donated services received from UBS AG London Branch (the "Member") that cannot be quantified with reasonable accuracy are not recognised by the Foundation.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; it is calculated and accrued in line with the deposit agreement.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses are allocated or apportioned to the applicable expenditure headings. Expenditure is presented in either restricted or unrestricted funds, depending on the classification of the income from which it is funded.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities.

Charitable grants are made where the Trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. A creditor or debtor is recognised for grants and donations approved but unpaid at the period end.

Support costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Foundation it is necessary to provide support in the form of financial and governance procedures, provision of office services and equipment and a suitable working environment. Gifts in kind in the form of donated services received from UBS AG London Branch that cannot be quantified with reasonable accuracy are not recognised by the Foundation.

Support costs are allocated to the Foundation's single charitable activity.

Foreign currency exchange

The Foundation's presentational and functional currency is pound sterling. Transactions denominated in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate ruling on the balance sheet date. Non-monetary items denominated in a foreign currency, measured at fair value are translated into the functional currency using the exchange rate ruling at the date when the fair value was determined.

The Foundation has cash balances denominated in foreign currencies. All currency differences are included in the statement of financial activities.

Principal accounting policies:

Year ended 31 December 2021

Fund accounting

The Foundation has restricted and unrestricted funds. Restricted funds are irrevocable funds subject to specific conditions imposed by the Foundation and taken directly to the statement of financial activities. Funds are typically granted within one to two years of receipt.

Company shares

The Foundation was incorporated on 12 July 2013 without share capital and is limited by guarantee. The guarantor of the Foundation is the Member. In the event of the Foundation being wound up, the liability of the Member is limited to £1.

The Foundation has indemnified all Trustees in respect of any liabilities properly incurred in running the Foundation to the extent permitted by the Companies Act 2006.

Programme-related investments

Programme related investments are social investments made directly in pursuit of the Charity's charitable purposes by funding specific activities where a financial return is not the primary reason for making the investment.

Programme related investments consist of concessionary loans. The loans are initially recognised at the amount paid with the carrying amount adjusted in subsequent years to reflect repayments and adjusted if necessary for impairment. Any impairment is written off and treated as charitable expenditure. Interest receivable on the loan is credited to the statement of financial activities in the year in which it arises.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. Debtors have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Foundation anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Notes to the financial statements:

31 December 2021

1 Donations

	Unrestricted funds £	Restricted funds £	2021 £	2020 £
Donations	435,019	30,095,945	30,530,964	26,518,566
Gifts in kind	—	59,760	59,760	52,120
2021 Total funds	435,019	30,155,705	30,590,724	26,570,686
2020 Total funds	74,360	26,496,326		26,570,686

Included in gifts in kind above are donated services from UBS AG, the Foundation's immediate controlling party, of £59,760 (2020: £52,120) in respect of audit and accountancy fees paid on the Charity's behalf. During the year UBS AG provided the Foundation with administrative support in the form of donated staff time, and also provided its facilities and infrastructure free of charge. This support has not been recognised in the financial statements because it has not been possible to quantify the value with reasonable accuracy.

2 Investment income

	Unrestricted funds £	Restricted funds £	2021 £	2020 £
Bank interest	4,059	—	4,059	23,760
Income from programme related investments (note 7)	—	46,595	46,595	48,139
Other	1,428	—	1,428	—
2021 Total funds	5,487	46,595	52,082	71,899
2020 Total funds	71,899	—		71,899

Notes to the financial statements:

31 December 2021

3 Charitable activities

	Unrestricted funds £	Restricted funds £	2021 £	2020 £
Grants awarded				
African Mission Healthcare Foundation	—	50,148	50,148	—
Afriscout	—	36,624	36,624	—
ARK	—	6,541,580	6,541,580	4,287,500
Blue Marine Foundation	—	210,685	210,685	—
Canopy Planet Society	—	550,000	550,000	1,100,000
Care for Children	—	—	—	11,000
Charity: Water	—	55,000	55,000	—
Child Protection Portfolio	780	—	780	—
Climate Collective SE Asia Umbrella	—	148,705	148,705	—
Climate Education	—	407,860	407,860	—
Common Seas	—	1,100,000	1,100,000	—
Covid Recovery Fund	—	54,509	54,509	—
Development Media International Associates	—	—	—	25,000
Directorate of Science Technology & Innovation	—	—	—	422,563
Disability Rights International	—	—	—	110,000
Earth Security Partnerships Blue Carbon	—	—	—	105,274
Education DIB	3,094	—	3,094	345,204
Education Portfolio	—	723	723	—
Emergency Response Coronavirus	—	62,500	62,500	558,288
EPG / ARK	—	354,632	354,632	—
For Baby's Sake	—	825,000	825,000	—
Freedom Fund	—	1,890,708	1,890,708	1,106,817
Healthy Me Healthy Sea	—	18,588	18,588	—
Home for Good	—	—	—	76,250
Hope and Homes for Children	—	500,459	500,459	1,457,473
International Committee of the Red Cross	—	—	—	20,975
International Rescue Committee	—	50,000	50,000	—
International Union for Conservation of Nature	—	75,117	75,117	—
IntoUniversity	—	—	—	165,000
Justice and Care	—	743,485	743,485	440,324
Karuna Education Portfolio	—	—	—	—
Kids Operating Room	—	1,574,400	1,574,400	5,894,431
Koninklijk Instituut voor de Tropen	—	50,000	50,000	—
Laboratoria	—	—	—	—
Last Mile Health	—	79,637	79,637	272,907
Carried forward to page 26	3,874	15,380,360	15,384,234	16,399,006

Notes to the financial statements:

31 December 2021

	Unrestricted funds £	Restricted funds £	2021 £	2020 £
Brought forward from page 25	3,874	15,380,360	15,384,234	16,399,006
Lifebox Foundation	—	108,424	108,424	112,608
Love Your Neighbour	—	1,040,000	1,040,000	—
Luminos	—	390,681	390,681	152,223
Muso Inc	—	44,791	44,791	—
NambiRand	—	72,283	72,283	—
Nature Conservancy	—	—	—	1,657,312
One to One Children's Fund	—	94,090	94,090	397,158
OnSide Youth Zones	—	2,780,775	2,780,775	3,761,004
Operation Smile	—	—	—	—
Optimus Switzerland, restricted for Brunswick	—	—	—	—
Pack2Good	—	18,588	18,588	—
Palladium International Limited	—	—	—	141,628
PEAS	—	1,049,335	1,049,335	—
Place2Be	—	59,428	59,428	140,427
Pratham	—	2,750	2,750	27,500
Preta Terra	—	—	—	387,395
Project Concern International (Afriscout)	—	—	—	93,559
Railway Children	—	55,000	55,000	—
Safe Child Thailand	—	—	—	27,500
SDG Outcomes Fund	—	1,392,672	1,392,672	—
Shine	—	494,530	494,530	765,460
Skills Partnership	—	—	—	45,407
Social Impact Fund	—	250,000	250,000	—
The Citizen's Foundation UK	—	87,579	87,579	721,500
The Gavi Alliance – COVAX	—	589,628	589,628	—
The Princes Trust	—	—	—	660,000
Transparentem	—	928,630	928,630	130,066
Trust for Social Achievement	—	2,453,628	2,453,628	—
UBS UK Donor-Advised Foundation	150,000	—	150,000	—
UK Maths Project	—	1,131,400	1,131,400	—
University Children's Hospital Zurich	—	827	827	—
We Care Solar	—	11,000	11,000	—
Wild Bear – Climate Education	—	629,638	629,638	—
World Child Cancer	—	79,637	79,637	82,866
Total Grant expenditure	153,874	29,145,674	29,299,547	25,702,619
Carried forward to page 27	153,874	29,145,674	29,299,547	25,702,619

Notes to the financial statements:

31 December 2021

	Unrestricted funds £	Restricted funds £	2021 £	2020 £
Brought forward from page 26	153,874	29,145,674	29,299,547	25,702,619
Other charitable expenditure				
<i>Consultancy</i>				
Active Philanthropy	—	38,083	38,083	38,946
ARK Consultancy	—	—	—	12,000
Climate Collective SE Asia Umbrella	—	189,031	189,031	—
EJ Consultancy	—	4,200	4,200	1,200
E Worm Philanthropy	—	—	—	2,464
Forum for the Future	—	72,210	72,210	—
Kaepe Solutions	—	52,126	52,126	—
Impact46 Limited	—	9,500	9,500	—
New Philanthropy Capital	—	—	—	—
	153,874	29,510,824	29,664,697	25,757,229
Support costs				
Auditor's remuneration	—	30,500	30,500	30,500
Accounting services	—	23,160	23,160	21,620
Other	150	6,100	6,250	—
2021 Total funds	154,024	29,570,583	29,724,607	25,809,349
2020 Total funds	—	25,809,349		25,809,349

*All 2020 charitable activities expenditure was restricted.

4 Staff costs and remuneration of key management personnel

The Foundation employed no staff members during the year (2020: none) and incurred no staff costs (2020: £nil).

The key management personnel of the charity in charge of running and operating the charity on a day to day basis comprise the Trustees and the following staff employed by UBS AG, which include but are not limited to the Head of Philanthropy Services UK, a Business Management team; a Philanthropy Advisory team, and a Business Development team. These staff are employed and remunerated by UBS AG London Branch. No remuneration was paid to the key management personnel by UBS Optimus Foundation UK.

Notes to the financial statements:

31 December 2021

5 Net income (expenditure)

This is stated after charging:

	2021 £	2020 £
Auditor's remuneration	30,500	30,500

6 Taxation

UBS Optimus Foundation UK is a registered charity and is therefore not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

7 Programme-related investments

At the year end, the charity had investments which were held directly in pursuit of the organisation's charitable activities, as follows:

	2021 £	2020 £
At 1 January	1,808,782	1,824,285
Movement due to foreign exchange	(97,595)	(15,503)
At 31 December	1,711,187	1,808,782

The programme-related investments comprise two loans.

One loan was for an amount of £1,443,071 made to Hope and Homes for Children. The loan amount was drawn down on 1 August 2017 and has been given to allow investment in fundraising to develop a diversified sustainable income so that Hope and Homes for Children can achieve the scale of operation required to deliver the mission to be a global catalyst for the eradication of institutional care of children. Following a restructure of the PRI loan in early 2020, the loan is repayable in instalments, with the final payment date being 30 June 2030 (previously 30 June 2022). The principal amount of the loan outstanding carries interest at a rate of 2%, accruing daily. Interest is payable on each anniversary of the date of drawdown until June 2022 only.

The second loan was for an amount of \$500,000 (£393,549) made to Impact Water. The loan amount was drawn down on 30 July 2018 and has been given in order to provide safe drinking water to schools by providing an affordable package of systems, maintenance and credit, that improves children's health and their school performance. The loan is repayable on the final repayment date of 15 September 2025. The principal amount of the loan outstanding carries interest at a rate of 5%, accruing daily. Interest is payable on each anniversary of the date of drawdown and the final repayment date.

8 Debtors

	2021 £	2020 £
Accrued income	128,502	710,654

Notes to the financial statements:

31 December 2021

9 Creditors: amounts falling due within one year

	2021 £	2020 £
Grant creditors	3,375,435	2,326,317

10 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Grant creditors	24,360	1,220,735

11 Restricted funds

	At 1 January 2021 £	Income £	Expenditure £	Transfers £	Gains / (Losses) £	At 31 December 2021 £
Education	369,317	270,734	(723)	—	(38)	639,290
Child protection	1,488,498	28,861	—	—	—	1,517,359
Consultancy	—	31,739	(152,290)	120,551	—	—
Environment	460,335	4,739,511	(3,004,275)	174,367	28,853	2,398,791
Donor specific funds	4,336,216	25,071,696	(26,291,035)	444,179	(7,551)	3,553,505
Other	—	59,760	(59,760)	—	—	—
Emergency relief	62,501	—	(62,501)	—	—	—
Total funds	6,716,868	30,202,300	(29,570,583)	739,096	21,264	8,108,944

	At 1 January 2020 £	Income £	Expenditure £	Transfers £	Gains / (Losses) £	At 31 December 2020 £
Education	—	173,187	(210,407)	422,040	(15,503)	369,317
Child protection	—	—	—	1,488,498	—	1,488,498
Consultancy	—	—	(54,610)	54,610	—	—
Environment	—	2,185,510	(1,686,229)	(38,946)	—	460,335
Social finance	—	504,261	(486,832)	—	(17,429)	—
Donor specific funds	7,263,963	21,640,745	(21,741,457)	(2,504,264)	(322,771)	4,336,216
Other	—	347,611	(52,120)	(295,491)	—	—
Emergency relief	—	1,645,011	(1,577,695)	—	(4,816)	62,501
Total funds	7,263,963	26,496,326	(25,809,349)	(873,553)	(360,519)	6,716,868

Restricted funds comprise funds held for the purpose of making grants and programme related investments.

Transfers from unrestricted funds to restricted funds represent instances whereby the charity's general funds were utilised to fund projects which had predominantly been funded previously by restricted funds.

Notes to the financial statements:

31 December 2021

12 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2021 £
Fund balances at 31 December 2021 are represented by:			
Programme-related investments	—	1,711,187	1,711,187
Net current assets	955,910	6,422,117	7,378,027
Creditors: amounts falling due after more than one year	—	(24,360)	(24,360)
Total net assets	955,910	8,108,944	9,064,854

	Unrestricted funds £	Restricted funds £	2020 £
Fund balances at 31 December 2020 are represented by:			
Programme-related investments	—	1,808,782	1,808,782
Net current assets	1,448,633	6,128,821	7,577,454
Creditors: amounts falling due after more than one year	—	(1,220,735)	(1,220,735)
Total net assets	1,448,633	6,716,868	8,165,501

13 Share capital

The Foundation is a company limited by guarantee and has no share capital. The liability of the Member is limited to £1.

14 Related parties

The Trustees received no emoluments or expenses during the year.

The immediate controlling party is its Member, UBS AG London Branch (Company Registration No FC021146), a branch of the ultimate parent undertaking and controlling party UBS AG (Swiss Registration number CHE-101.329.561), a company incorporated in Switzerland with a registered address of AESCHENVORSTADT 1 4051 Basel, Switzerland. UBS AG is the sole Member of UBS Optimus Foundation UK.

The Foundation received donated services and resources from its Member with no conditions attached. Details of these services is provided in note 1. The Foundation received £3,104,489 (2020: £4,426,877) of income in the form of matched funding from UBS AG. UBS AG is also the sole Member of UBS Donor Advised Fund (Company Registration No 861964), a registered charity (Charity Registration No 1153531). During the year the Foundation received donations from individuals via the UBS Donor Advised Fund of £6,193,255 (2020: £2,769,016). All related party transactions were conducted at arm's length.

15 Subsequent events

There are no subsequent events to be disclosed for the year ended 31 December 2021.

Notes to the financial statements:

31 December 2021

16 Comparative statement of financial activities

	Notes	Unrestricted funds £	Restricted funds £	2020 £
Income from:				
Donations	1	74,360	26,496,326	26,570,686
Investments	2	71,899	—	71,899
Total income		146,259	26,496,326	26,642,585
Expenditure on:				
Charitable activities	3	—	25,809,349	25,809,349
Total expenditure		—	25,809,349	25,809,349
Net income before gains and transfers		146,259	686,977	833,236
Net losses on investments		—	(15,503)	(15,503)
Transfers between funds	11	873,553	(873,553)	—
Other (losses) gains		(5,416)	(345,016)	(350,432)
Net (expenditure) income and net movement in funds		1,014,396	(547,095)	467,301
Reconciliation of funds:				
Total funds brought forward		434,237	7,263,963	7,698,200
Total funds carried forward		1,448,633	6,716,868	8,165,501