

THE FIDELITY UK FOUNDATION

England & Wales · Charity number 327899

Details

Status Registered

Legal form Trust

Registered 1988-08-12

Register [View on the Charity Commission register](#)

Contact

Address Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey
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Phone 01732777364

Email foundation@fil.com

Website www.fidelityukfoundation.com

Activities

Objects: FOR SUCH PURPOSES RECOGNISED BY THE LAW OF ENGLAND AND WALES AS CHARITABLE AS THE TRUSTEES SHALL FROM TIME TO TIME SELECT.

Activities: The Foundation makes grants to registered charities and organisations of charitable status for charitable purposes, as recognised by the law of England and Wales.

Classification

- **How:** Makes Grants To Organisations
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Arts/culture/heritage/science, Environment/conservation/heritage, Economic/community Development/employment, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£16,544,680	£15,562,993	£348,611,887	0
2023-12-31	£8,552,309	£13,827,400	£335,895,085	0
2022-12-31	£6,889,351	£10,943,120	£330,381,671	0
2021-12-31	£11,987,748	£12,952,225	£336,859,601	0
2020-12-31	£9,589,688	£9,733,256	£288,028,883	0

Trustees

Name	Role	Appointed
ANTHONY BOLTON	Chair	1990-11-08
ABIGAIL JOHNSON		2014-07-16
Dr Linda Yueh CBE		2024-01-25
Dr Malcolm Austin Rogers		2017-12-12
Edward C Johnson IV		2019-12-10
Elizabeth L Johnson		2024-02-28
Peter Dean Goldsbrough		2019-07-16
SALLY WALDEN		2010-07-01

THE FIDELITY UK FOUNDATION

England & Wales - Charity number 327899

Accounts

THE FIDELITY UK FOUNDATION

(Registered Charity Number: 327899)

**Annual Report and Financial Statements
for the year ended 31 December 2024**

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees submit their annual report and audited financial statements for The Fidelity UK Foundation ("the Foundation") for the year ended 31 December 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Trust Deed, the Charities Act 2011, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (the "Charities SORP").

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

Objective and activities for the public benefit

The objective of the Foundation is to make grants to organisations for charitable purposes, as recognised by the laws of England and Wales. The objective is consistent year to year.

The Foundation's strategy for achieving this objective is to build an endowment out of which sustainable, long-term grant-making programmes can be established. The Trustees set annual grant budgets designed to balance current grant-making programmes and the long-term future of the Foundation. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and in planning future activities and setting the grant-making policy for the year.

Grant-making guidelines

The Foundation has established its grant-making guidelines to achieve its objective for the public benefit. Grant-making guidelines are reviewed annually to ensure that they continue to reflect the Foundation's objective and thereby advance public benefit.

The Foundation directs the majority of its grants to UK registered charities operating in the UK, primarily in the fields of:

- Enabling disadvantaged children and young people to fulfil their potential
- Health and wellbeing
- Arts, culture and heritage
- Environmental conservation

The Foundation aims to strengthen the impact, efficiency and/or sustainability of the charitable organisations that it supports. As such, the Foundation has a focus on supporting capacity-building, by which the Foundation means the capacity, knowledge and resources that charities need to be effective.

Each grant application is considered on an individual basis against the Foundation's grant-making guidelines. Foundation representatives (and from time to time, Trustees) meet with applicants to establish a fuller understanding of an organisation and its needs.

In addition to reviewing an applicant's fit with the Foundation's grant-making guidelines, other factors considered as part of the due diligence process include: the organisation's impact and its role relative to other organisations in the field; strategic plans; leadership and governance; operations; financial health; and the degree to which the project for which funding is requested will strengthen an organisation's impact, efficiency and/or sustainability.

Grantees are requested to report to the Foundation on progress towards achieving the goals of the project supported as outlined in their application to the Foundation, on a periodic basis. Foundation representatives also have periodic contact with grantees so we can learn from grants made.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (cont.)

Grant-making guidelines (cont.)

The Foundation's focus and approach to grant-making is outlined on the website www.fidelityukfoundation.com.

The Foundation can make grants outside of the categories and grant-making guidelines described above.

Grants made from the W L "Bill" Byrnes Global Scholarship Fund are made in line with that fund's purpose (see Funds and reserves policy section for more details).

Achievements and performance in 2024

During 2024, the Trustees met their objective of awarding grants to charitable organisations with a view to strengthening their impact, efficiency and/or sustainability, thereby delivering public benefit. In 2024, 73 grants were awarded totalling £14,786,660.

In 2024, in addition to awarding grants that fall within the framework of the strategic frameworks for each programme, the Foundation undertook a portfolio review of the programme focused on children and young people, identifying strengths and opportunities for future grant-making.

Grants were awarded in 2024 as follows:

Area	Number of grants awarded	Total amount awarded	% of total by amount
Disadvantaged children and young people	21	£4,790,328	32%
Arts, culture and heritage	30	£5,977,788	41%
Health and wellbeing	7	£1,769,907	12%
Environmental conservation	7	£1,958,637	13%
Other	7	£140,000	1%
Grant(s) from the W L "Bill" Byrnes Global Scholarship Fund	1	£150,000	1%
Total	73	£14,786,660	100%

Grants were awarded in 2023 as follows:

Area	Number of grants awarded	Total amount awarded	% of total by amount
Disadvantaged children and young people	20	£3,356,215	26%
Arts, culture and heritage	23	£5,266,604	40%
Health and wellbeing	13	£2,823,256	22%
Environmental conservation	3	£1,034,007	8%
Other	7	£400,000	3%
Grant(s) from the W L "Bill" Byrnes Global Scholarship Fund	1	£150,000	1%
Total	67	£13,030,082	100%

Further details of the grants awarded are included in note 6. A full list of all grants awarded in 2024 is included in note 21 to the financial statements.

Financial review

The Foundation is committed to building and maintaining an invested fund for the long-term benefit of the Foundation and its beneficiaries and remains in a sound financial position. The net assets of the Foundation increased by 3.8% from £335,895,085 at the start of the year to £348,611,887 at 31 December 2024.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (cont.)

Financial review (cont.)

Donations received were £6,219,751 (2023: £4,204,455) and the Foundation approved grants totalling £14,786,660 (2023: £13,030,082). During the year, an unspent amount of £11,974 was returned by an organisation whose grant was approved in 2020 and this amount was credited to the statement of activities. Additionally, the project budgets for two grants that were approved in 2023 were reduced, resulting in a total of £16,906 being written back. (2023: One grant of £129,374 was cancelled and written back during 2023 as the grantee organisation ceased operating and the project that the Foundation had agreed to fund was therefore cancelled. No grants were returned during 2023).

Investment policy and performance

The Foundation's assets have continued to be managed in accordance with the provisions of the Trust Deed, the Trustee Act 2000, the Charity Commission's guidance and the Foundation's Investment Policy, which was revised in July 2024 and sets out the long-term investment objective, risk profile, and the Foundation's approach to Responsible Investing.

The financial objective of the portfolio of funds managed on behalf of the Foundation by FIL Pensions Management ("the managed portfolio") is to achieve a real return of 4% per annum (calculated as 4% + UK Consumer Prices Index) over a rolling 5-year period. The portfolio is diversified across a broad range of asset classes, industries, geographies and investment strategies. The Foundation supports the view that the effective management of environmental, social and governance ("ESG") issues by companies it invests in is an important component in achieving good financial performance and long-term growth. As such, the Foundation actively encourages its investment manager(s) to integrate ESG issues into investment analysis and decision-making processes, including voting and engagement.

The Foundation holds common and preferred shares in FIL Limited ("FIL") and Eight Roads Shareholdings Limited ("ERS").

The Finance & Investment Subcommittee is authorised by the Board to monitor, review and manage all aspects of the Investment Policy and strategy and to provide oversight of the operation of the investments, ensuring that these arrangements are aligned with the Foundation's Investment Policy.

At 31 December 2024, the total value of investments was £349,367,830 (2023: £338,587,685). The managed portfolio was valued at £245,569,616 (2023: £231,943,386), the FIL and ERS shares were valued at £103,120,030 (2023: £105,958,248) and investments held in the name of the W L "Bill" Byrnes Global Scholarship Fund were valued at £678,184 (2023: £686,052).

For the year to 31 December 2024 the investment portfolio (excluding the FIL and ERS shares) delivered a return of 9.7% compared with the benchmark return of 10.9% (2023: return of 8.4% compared with the benchmark return of 10.5%). The FIL and ERS shares delivered a return of -3% (excluding dividends) over the same year (2023: 3%).

Trustees will continue to closely monitor performance during 2025.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (cont.)

Risk management

As outlined in the Foundation's risk register, Trustees have identified the following risks: governance/compliance risk; operational risk; financial risk; grant-making risk; and reputational risk.

Governance/compliance risk - relates to the Foundation meeting regulatory, accounting and legal compliance requirements.

The Foundation actively manages these risks through robust internal controls, effective application of relevant policies, engagement with specialist advisers for legal requirements and regular reporting to Trustees.

Operational risk - relates to the Foundation being unable to deliver its work.

The Foundation actively manages these risks through robust internal controls, an Administrative Services Agreement with Fidelity International and a business continuity plan.

Financial risk - relates to the Foundation meeting its financial commitments and long-term objectives, financial reporting and record keeping, liquidity, market and credit risk.

- Liquidity risk is the risk that the Foundation does not have sufficient available resources to enable it to meet its obligations as they fall due or can only secure them at excessive cost.
- Market risk is the risk of adverse financial impact due to changes in the fair values of the Foundation's investments as a result of fluctuations in foreign currency exchange rates, interest rates, fund and equity prices. Foreign exchange rate risks exist related to the investments and cash denominated in foreign currencies. Interest rate risk exists related to cash and investments in liquidity funds that are subject to daily interest rate variances. Fund and equity price risk exists due to market driven fluctuations in the investment portfolio values.
- Credit risk is the risk of a counterparty failing to meet its financial obligations to the Foundation. Investments and cash are only held with financial institutions of an appropriate standing and which have been approved by the Trustees.

The Foundation actively manages these risks, with oversight from the Finance & Investment Subcommittee, through robust internal controls, effective application of relevant policies, regular monitoring and reporting of the financial performance of investments, and regular cash flow and liquidity forecasting.

Grant-making risk - relates to the Foundation's ability to achieve its grant-making objectives.

The Foundation actively manages this risk through annual review of grant-making guidelines, clear approach to grant-making, due diligence and grants administration, clear decision-making processes and monitoring of grantee performance against project goals.

Reputational risk - relates to the Foundation's ability to respond effectively to any incident that could affect the Foundation's reputation.

The Foundation actively manages this risk through application of all Foundation policies, and also through clear terms and conditions in grant agreements, and the monitoring of the application of grants made through reports received from grantees.

A detailed risk register, which includes details of the mitigating actions, is reviewed annually by the Trustees. The Trustees confirm that they are satisfied with the procedures which have been established to regularly monitor these risks and with the action taken to mitigate exposure to them.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (cont.)

Funds and reserves policy

The Trustees wish to build a substantial Foundation for long-term charitable purposes. As the level and frequency of future donations is uncertain, the Trustees have established an expendable endowment fund to provide sufficient future income and growth to ensure the Foundation's long-term sustainability and to meet its overall charitable objectives. The Trustees have targeted an expected level of overall growth (capital and income) from the invested funds and expect to be able to spend around 5% of the average endowment fund over the previous three years for grant-making, administration and other costs in the subsequent year, while preserving the real value of the endowment. For 2024, this resulted in a grant-making budget of £15,200,000 +/- 10% (2023: £14,000,000 +/- 10%).

The endowment fund represents the managed portfolio and shares in FIL and ERS. When donations are received, these are either invested into the managed portfolio or allocated to unrestricted funds as required. The Trustees have discretion to transfer some or all of the capital of the endowment to the unrestricted fund in circumstances which they consider would justify it, having regard to the need to maintain an appropriate balance between the interests of present and future beneficiaries. The value of the endowment fund at 31 December 2024 was £349,893,667 (31 December 2023: £338,233,233).

The unrestricted fund provides the working capital of the Foundation for grant-making, administration and other costs. The level of funds and estimates of likely future expenditure are monitored and reviewed on a regular basis and transfers are made from the endowment, if necessary.

The Foundation's managed portfolio is sufficiently liquid to enable the redemption of amounts to be transferred to the unrestricted fund allowing the Foundation to meet payment commitments as they fall due. The Trustees have concluded that, based on current conditions and considering their ability to transfer from the expendable endowment, the level of unrestricted funds should generally not exceed the value of one year's forecast expenditure.

A total amount of £8,200,000 was redeemed from the managed portfolio during 2024 (2023: £5,500,000) and £6,444,467 was transferred to the unrestricted fund (2023: £8,938,153). The value of unrestricted funds at 31 December 2024 was a deficit of £1,666,604 (2023: deficit of £2,796,162). Any deficit in the unrestricted funds can be funded by redemptions from the managed portfolio and a transfer between funds at the Trustees' discretion.

The restricted fund represents the W L "Bill" Byrnes Global Scholarship Fund, which was established in 2019 as a restricted fund within the Foundation to honour one of the founders of Fidelity International, Bill Byrnes, by receiving, managing and investing donations received in his memory and using these funds to provide scholarships to talented business students from around the world via specific business schools. The value of the restricted fund at 31 December 2024 was £384,824 (2023: £458,014).

Each month, the Foundation prepares rolling cash flow forecasts of its financial position looking fifteen months ahead. Cash flow forecasts for the twelve months from the date of approval of the financial statements have also been considered to reflect a 'worst case scenario'. This assumes: zero investment or donation income; that current grant-making budgets are sustained (based on an annual budget calculated as referenced above); and, together with anticipated administration and other expenses and payments of existing grant commitments, all expenditure is funded through transfers from the endowment into the unrestricted funds. Based on these forecasts, the Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern and the financial statements are prepared on this basis.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (cont.)

Plans for future periods

The Trustees are committed to continuing to make grants in accordance with the stated objective of the Foundation and to source grant proposals matching the Foundation's grant criteria. The Trustees aim to set a grant budget at a level that will allow the Foundation to meet its objective, while maintaining a sustainable level of assets for future periods.

In the forthcoming period, the Trustees anticipate the overall value of grants awarded to increase. While continuing to make grants in line with the strategic frameworks for each of the programmes and as outlined in the grant-making guidelines, the Foundation will also continue to review its work as it learns from grants made, reflects on impact and adapts to the changing context.

Structure, governance and management

The Foundation is a registered charity, number 327899, which is constituted as a charitable trust under a Trust Deed dated 13 July 1988. This Trust Deed authorises Trustees to make decisions regarding the allocation of funds.

Trustees meet three times a year, the Finance & Investment Subcommittee meets twice a year, and the Independent Trustees Subcommittee meets once per year. Various policies and guidelines are in place and are reviewed periodically to ensure sufficient governance arrangements and effective monitoring. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 7 and 17 to the financial statements. From time to time a grant may be awarded to an organisation with which a Trustee is involved in some capacity. Trustees are required to disclose all relevant interests, which are then recorded in a conflicts of interest register, and in accordance with the Foundation's policy withdraw from decisions where any conflict of interest arises.

Any new Trustees are appointed by the settlor, FIL Investment Services (UK) Limited, based on their ability to add value to the Foundation. Newly appointed Trustees are given an induction, during which they are briefed on investments, the grant-making process and the powers and responsibilities of the Trustee board. A brief history of the Trust, copies of board and sub-committee minutes, annual reports and financial statements, and a copy of the governing Trust Deed are made available to the incoming Trustee.

The Trustees of the Foundation have absolute discretion in the application of any income and capital of the Foundation for any purpose recognised as charitable by the law of England and Wales. Decisions regarding the application of funds and investment strategy are made at meetings of the board of Trustees.

Grant proposals are presented to Trustees at board meetings and between meetings via email. Decisions are arrived at on the basis of mutual agreement among Trustees. Some grants payable are subject to certain conditions being met by the recipients as outlined in grant offer packs.

The Trustees have established policies and procedures for delegated authority whereby grants of £150,000 and under are subject to approval by either one or two Trustees (dependent on grant size). Grants of £20,000 or under can be made at the discretion of the Foundation's Chief Executive.

The five Trustees that are unaffiliated to FIL (see note below) also have a small budget for allocation to charitable organisations; these donations fall within the overall grant-making strategy of the Foundation and are not normally made to charities in which the 'unaffiliated' Trustee is involved in a formal capacity and in such cases, proposals are considered by the Board.

The Foundation has not carried out any fundraising activities during the year. The Foundation received an unsolicited donation of £250 during the year to the W L "Bill" Byrnes Global Scholarship Fund.

Day to day management of the Foundation's operations is carried out by FIL Investment Management Limited ("FIML"), as outlined in an Administrative Services Agreement. FIML has been one of the principal donors to the Foundation. Further details are provided in note 17 to the financial statements.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (cont.)

Reference and administrative information

Trustees

The Trustees of the Foundation who were in office during the year and up to the date of signing the financial statements were:

A J Bolton
S R Gandhi (retired 22 October 2024)
P D Goldsbrough
A P Johnson
E C Johnson IV (Chair)
E L Johnson
J W Owen (retired 16 July 2024)
M A Rogers
S E Walden
L Y Yueh (appointed 25 January 2024)

Trustees affiliated with the principal donors to the Foundation are A J Bolton, A P Johnson, E C Johnson, E L Johnson and S E Walden (affiliated from 28 February 2024, and previously unaffiliated). All other Trustees are unaffiliated.

Registered Office:	Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP
Administrators:	FIL Investment Management Limited, 4 Cannon Street, London EC4M 5AB (Foundations Chief Executive: Lenka Setkova)
Investment Advisors:	FIL Pensions Management, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP
Bankers:	Barclays Bank PLC, 73-75 Calverley Road, Tunbridge Wells, Kent TN1 2UZ
Solicitors:	Bates, Wells and Braithwaite London LLP, 10 Queen Street Place, London EC4R 1BE
Independent Auditors:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors, 1 Embankment Place, London WC2N 6RH
Registered Charity Number:	327899

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (cont.)

Statement of Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & 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 Foundation and of the incoming resources and application of resources of the Foundation for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards comprising FRS 102, 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 Foundation 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 Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors

The Trustees have re-appointed the auditors, PricewaterhouseCoopers LLP, for the year to 31 December 2025.

Approved by the Trustees on 21 March 2025 and signed on their behalf by:



Trustee: P D Goldsbrough
Date: 21 March 2025

Independent auditors' report to the trustees of The Fidelity UK Foundation

Report on the audit of the financial statements

Opinion

In our opinion, The Fidelity UK Foundation's financial statements (the "financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008).

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2024; the statement of financial activities for the year then ended, cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charity's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Charities Act 2011 requires us also to report certain opinions and matters as described below.

Trustees' Report

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities in relation to the financial statements, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also 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.

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

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charity/industry, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and relevant regulations made or having an effect thereunder, including The Charities (Accounts and Reports) Regulations 2008, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) by the trustees and those responsible for, or involved in, the preparation of the financial statements, and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed included:

- Discussions with management, including consideration of known or suspected instances of non compliance with laws and regulation and fraud;
- Reviewing relevant board meeting minutes;
- Validating the appropriateness of journal entries identified based on our fraud risk criteria;
- Designing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing; and
- Challenging assumptions and judgements made by management in their significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 March 2025

THE FIDELITY UK FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Income and Endowments from:						
Donations	2	6,219,438	313	-	6,219,751	4,204,455
Investments	3	3,878,565	1,897	-	3,880,462	4,347,853
Total		10,098,003	2,210	-	10,100,213	8,552,308
Expenditure on:						
Raising funds (investment management costs)	4	(2,070)	-	-	(2,070)	(1,869)
Charitable activities (including governance costs)	5	(15,410,842)	(150,017)	(64)	(15,560,923)	(13,825,531)
Total		(15,412,912)	(150,017)	(64)	(15,562,993)	(13,827,400)
Net expense and net movement in funds before /gains on investments		(5,314,909)	(147,807)	(64)	(5,462,780)	(5,275,092)
Net gains on investments and cash	15	-	74,617	18,104,965	18,179,582	10,788,506
Net (expense)/income and net movement in funds		(5,314,909)	(73,190)	18,104,901	12,716,802	5,513,414
Reconciliation of funds						
Total Funds of the Foundation brought forward at 1 January		(2,796,162)	458,014	338,233,233	335,895,085	330,381,671
Transfer between funds		6,444,467	-	(6,444,467)	-	-
Total Funds of the Foundation carried forward at 31 December		(1,666,604)	384,824	349,893,667	348,611,887	335,895,085

A comparative Statement of Financial Activities can be found in note 19 to the financial statements.

THE FIDELITY UK FOUNDATION

BALANCE SHEET AS AT 31 DECEMBER 2024

	Note	Total Funds 2024 £	Total Funds 2023 £
Fixed assets			
Investments	9	349,367,830	338,587,685
Total fixed assets		349,367,830	338,587,685
Current assets			
Debtors	10	441,908	465,133
Cash at bank	11	17,200,974	11,182,676
Total current assets		17,642,882	11,647,809
Liabilities			
Creditors: amounts falling due within one year	12	(13,805,574)	(9,910,196)
Net current assets		3,837,308	1,737,613
Total assets less current liabilities		353,205,138	340,325,298
Creditors: amounts falling due after more than one year	12	(4,593,251)	(4,430,213)
Net assets		348,611,887	335,895,085
Endowment Funds		349,893,667	338,233,233
Restricted Income Funds		384,824	458,014
Unrestricted Income Funds		(1,666,604)	(2,796,162)
Total Funds of the Foundation		348,611,887	335,895,085

A comparative Balance Sheet can be found in note 20 to the financial statements.

The financial statements on pages 13 to 33 were approved by the Board of Trustees on 21 March 2025 and were signed on its behalf by

Trustee


.....

P D Goldsbrough

THE FIDELITY UK FOUNDATION

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Cash flows from operating activities:			
Net cash used in operating activities	14	(4,760,734)	(6,567,776)
Cash flows from investing activities:			
Investment income received		3,392,537	4,021,844
Investment management charges paid		(2,252)	(2,490)
Management fee rebates		1,297,547	1,178,845
Proceeds from sale of investments*		62,317,201	82,616,686
Purchase of investments*		(56,214,668)	(75,092,269)
Net cash provided by investing activities		10,790,365	12,722,616
Change in cash in the year		6,029,631	6,154,840
Effect of exchange rate changes on cash		(11,333)	35,136
Net increase in cash		6,018,298	6,189,976
Cash at beginning of the year		11,182,676	4,992,700
Cash at the end of the year		17,200,974	11,182,676

*All purchases and sales of investments took place within the Endowment Fund and the Restricted Fund.

The Fidelity UK Foundation does not maintain any debt and therefore a reconciliation of net debt has not been included as the cash movements above provide the same information.

1 Accounting policies

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value except for investments which are recorded at fair value as disclosed in note 9. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (the "Charities SORP"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011.

The Trustees are authorised to apply the capital of the Foundation's endowment to the Foundation's charitable activities. The Foundation's investments are sufficiently liquid so as to permit the redemption of amounts from the investment portfolio to allow the Foundation to make grant payments from unrestricted funds or endowment funds as they fall due. As a result, Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern and the financial statements are prepared on a going concern basis.

Planned redemptions totalling £8,200,000 were made from the investment portfolio during 2024 (2023: £25,500,000 - £20,000,000 from the proceeds of a sale of FIL shares and £5,500,000 from the managed portfolio), comprising of transfers from the expendable endowment fund to the unrestricted fund with the balance being the portfolio income earned (recorded as unrestricted income in line with Charity Commission guidance), to enable the Foundation to make grant payments as they fall due.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

Judgements

Judgements are made in relation to the method of allocating support costs between grant-making activities and governance costs on the basis of the amount of time spent by Foundation representatives on each activity (see note 1(f) and note 8) and in relation to recognising the full amount of multi-year grants at date of approval (see notes 1(d) and notes 12 and 13 for more information).

Estimates

The most significant estimates and key assumptions that affect items in the financial statements are related to the valuation of unquoted investments (see note 1(h) and note 9 for more information). With respect to the next reporting period, the year ending 31 December 2025, the most significant areas of uncertainty that could affect the carrying value of the assets held by the Foundation are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the Trustees' Annual Report for more information). Estimates are also used in the assessment of exposure to market risk (see note 9).

1 Accounting policies (cont.)

(b) Funds structure

The Foundation funds are made up of an endowment fund, a restricted fund and an unrestricted fund. The endowment fund is an invested expendable endowment enabling the Foundation to maintain a sustainable long-term grant-making programme. The Trustees have discretion to expend some or all of the capital of the expendable endowment in circumstances which they consider would justify it, having regard to the need to maintain an appropriate balance between the interests of present and future beneficiaries. The restricted fund was established during 2019 in relation to the W L “Bill” Byrnes Global Scholarship Fund (see the reserves policy section of the Trustees’ Report for more detail). The unrestricted fund is available for use at the discretion of the Trustees in furtherance of the general activities of the Foundation.

Transfers from the endowment fund to the unrestricted fund, arising from the Trustees’ decision to apply the accumulated capital of the endowment to the Foundation’s charitable activities, are recognised when investments are sold, and the sales proceeds are redeemed from the Foundation’s investment portfolio.

(c) Income recognition

All income is recognised when the Foundation has entitlement to the income, it is probable that the income will be received, and the amount of income can be measured reliably.

Donations represent amounts received by the Foundation or where the Foundation has been notified that a donation has been irrevocably committed to be made to it during the financial year and include any associated tax credits.

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 Foundation; this is normally upon notification of the interest paid or payable by the bank.

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note 1 (f) below.

Grants are payments made to third parties in the furtherance of the charitable objectives of the Foundation. Grants are recognised in the financial statements as liabilities after they have been approved by Trustees or by delegation, the recipients have been notified of the award (formally or informally) and it is fully expected that any terms and conditions to be fulfilled by the grantee(s) will be met. In these circumstances there is a valid expectation by the recipients that they will receive the grant. Once recognised in the financial statements, grants are only written back if the related project is cancelled, if there is a material change in the scope of the project, or if the organisation/project no longer meet the terms of the grant agreement. If any such scenario arises but the Foundation still wishes to make the grant payment, the related grant is written back and disclosed instead as a contingent liability to reflect the uncertainty around the timing of the payment.

Provisions for grants are made when recipients have been notified of the award but there is uncertainty as to the timing of the grant or the amount of grant payable.

(e) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1 Accounting policies (cont.)

(f) Allocation of support costs

Governance costs are a type of support costs and comprise all costs involving the public accountability of the Foundation and its compliance with regulation and good practice. These costs include statutory audit and legal fees together with an apportionment of the support costs considered to be incurred in complying with statutory requirements, such as Trustees' meetings and the preparation of financial statements (see note 7).

Other support costs have been allocated between governance costs and grant-making activities on a 25:75 basis, reflecting an estimation of the time spent by Foundation representatives on the respective activities (as disclosed in note 1 (a)). Those support costs attributed to grant-making activities have subsequently been allocated between programme areas based on the number of grants awarded in each category. See notes 6 and 8 for further details.

(g) Management fees and rebates

Gross investment management fees are charged against investment fund prices with investment valuations being shown net of these charges. The Foundation receives rebates of investment management charges, which are received in cash and immediately reinvested into the managed portfolio. Management fee rebates are presented as realised gains on the managed portfolio and not as donated services.

(h) Fixed asset investments

Investments are a form of basic financial instrument.

Quoted investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Unquoted investments are stated at current value based on expected realisable value at the balance sheet date. The current value of FIL shares and ERS shares has been estimated to be equal to the value communicated by FIL and ERS, based on net asset values ("NAV") per share approved by the directors of FIL and ERS. The unquoted investments in FIL and ERS can only be redeemed at the discretion of FIL and ERS and only at the quarterly NAV. FIL and ERS also have the right to apply restrictions to defer the payment of significant redemption proceeds; however, the Trustees do not foresee a circumstance under which this would be enforced, and the Trustees do not believe that there are any restrictions that would materially affect the fair value of the investment. Based on these investment characteristics, NAV is determined to be the best approximation of fair value. The current values of the holdings in Fidelity Common Contractual Funds are derived from the sum of the quoted prices of the investments in the underlying funds and are provided by FIL Fund Management (Ireland) Limited in its capacity as Manager of the fund.

The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or subsectors. More detailed disclosures relating to investments and risk are included in the Trustees' Report.

(i) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

THE FIDELITY UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (cont.)

1 Accounting policies (cont.)

(j) Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is not considered probable; or
- a present obligation following a grant offer where the amount has not been communicated in the grant offer letter and that amount cannot be estimated reliably.

(k) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

(l) Taxation

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, if these profits are applied solely for charitable purposes.

2 Donations

	2024	2023
	£	£
Corporate donations	6,200,000	4,200,000
Donations to the W L "Bill" Byrnes Global Scholarship Fund	313	688
Other donations	19,438	3,767
	<u>6,219,751</u>	<u>4,204,455</u>

3 Investment income

	2024	2023
	£	£
Listed equities	243,863	260,104
Other equities	1,422,998	1,742,688
Mutual funds	1,649,815	1,892,175
Real Estate funds	-	33,294
Cash funds	521,646	370,041
Mutual and cash funds (restricted fund)	1,897	4,131
Bank interest	40,243	45,420
	<u>3,880,462</u>	<u>4,347,853</u>

4 Raising funds

	2024	2023
	£	£
Investment management costs:		
Custodian fee	<u>2,070</u>	<u>1,869</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (cont.)

5 Charitable activities

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	Total Funds 2024 £
Grant-making activities (note 6)	15,185,770	150,017	64	15,335,851
Governance costs (note 7)	225,072	-	-	225,072
	<u>15,410,842</u>	<u>150,017</u>	<u>64</u>	<u>15,560,923</u>

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £
Grant-making activities (note 6)	13,418,097	150,017	128	13,568,242
Governance costs (note 7)	257,289	-	-	257,289
	<u>13,675,386</u>	<u>150,017</u>	<u>128</u>	<u>13,825,531</u>

6 Grant-making activities

All grants were made to institutions; no grants were made to individuals. Grant support costs have been allocated based on the number of grants awarded in each category.

Grants approved in 2024	Number of grants	Grant value £	Support costs (note 8) £	Total £
Arts, culture and heritage	30	5,977,788	240,863	6,218,651
Health and wellbeing	7	1,769,907	56,201	1,826,108
Disadvantaged children and young people	21	4,790,328	168,605	4,958,933
Environmental conservation	7	1,958,637	56,201	2,014,838
Other	7	140,000	56,201	196,201
Grants from WL "Bill" Byrnes Global Scholarship Fund	1	150,000	-	150,000
	<u>73</u>	<u>14,786,660</u>	<u>578,071</u>	<u>15,364,731</u>
Grants written back		(16,906)	-	(16,906)
Grants returned		(11,974)	-	(11,974)
Total		<u>14,757,780</u>	<u>578,071</u>	<u>15,335,851</u>

See note 21 for a full list of grants approved in year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (cont.)

6 Grant-making activities (cont.)

Grants approved in 2023	Number of grants	Grant value	Support costs (note 8)	Total
		£	£	£
Arts, culture and heritage	23	5,266,604	232,626	5,499,230
Health and wellbeing	13	2,823,256	131,484	2,954,740
Disadvantaged children and young people	20	3,356,215	202,283	3,558,498
Environmental conservation	3	1,034,007	30,342	1,064,349
Other	7	400,000	70,799	470,799
Grants from WL "Bill" Byrnes Global Scholarship Fund	1	150,000	-	150,000
	67	13,030,082	667,534	13,697,616
Grants written back		(129,374)	-	(129,374)
Total		12,900,708	667,534	13,568,242

7 Governance costs

	2024	2023
	£	£
Trustee expenses	137	51
Legal fees	3,624	6,106
Audit fees	28,621	28,621
Support costs (note 8)	192,690	222,511
	<u>225,072</u>	<u>257,289</u>

The ten Trustees in post during 2024 received no remuneration from the Foundation during the year (2023: the nine Trustees in post received no remuneration from the Foundation). One Trustee was reimbursed for travel and subsistence expenses totalling £137 during the year (2023: One Trustee was reimbursed for travel and subsistence expenses totalling £51).

Audit fees represent £24,572 (net of VAT) for the audit of the 2024 financial statements (2023: £23,851 (net of VAT) for the audit of the 2023 financial statements). No other services were provided by the auditors.

In accordance with SORP paragraph 6.15, the audit fee is the amount paid directly by the Foundation and the fee level the Foundation is willing to pay in the open market. This is less than the total allocation of audit fees relating to the Foundation's financial statements by PricewaterhouseCoopers LLP, who are also the auditor of other FIL related entities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (cont.)

8 Support costs

	Allocated to grant-making activities £	Allocated to governance costs £	Total 2024 £
Administration and management costs	578,071	192,690	770,761
	Allocated to grant-making activities £	Allocated to governance costs £	Total 2023 £
Administration and management costs	667,534	222,511	890,045

Support costs have been allocated between grant-making activities and governance costs on a 75:25 basis. This reflects a judgment on the amount of time spent by Foundation representatives on the respective activities. See note 17 for details of how administration and management services are provided.

9 Investments

Movement in Investments during 2024

	Listed Equities	Mutual Funds	Mutual Funds (Restricted Fund)	Real Estate Funds	Other Equities*	Total
	£	£	£	£	£	£
Market value b/f 1 January 2024	9,183,771	222,759,615	686,051	(0)	105,958,248	338,587,685
Additions at cost	-	56,205,683	8,985	-	-	56,214,668
Disposal proceeds	(2,395,778)	(59,837,248)	(84,175)	0	0	(62,317,201)
Realised gains on disposals	1,535,116	9,788,511	15,638	0	-	11,339,265
Unrealised FX gain	-	-	-	-	1,737,031	1,737,031
Unrealised Investment (losses)/gains	(810,225)	9,140,172	51,684	(0)	(4,575,249)	3,806,382
Market value as at 31 December 2024	7,512,884	238,056,733	678,183	(0)	103,120,030	349,367,830

Movement in Investments during 2023

	Listed Equities	Mutual Funds	Mutual Funds (Restricted Fund)	Real Estate Funds	Other Equities*	Total
	£	£	£	£	£	£
Market value b/f 1 January 2023	9,076,386	187,030,667	673,418	3,592,753	136,118,823	336,492,047
Additions at cost	-	75,017,178	75,091	-	35,601	75,127,870
Disposal proceeds	(51,320)	(53,103,941)	(95,483)	(3,533,454)	(25,832,488)	(82,616,686)
Realised gains/(losses) on disposals	45,738	3,566,705	(15,100)	1,222,965	25,090,307	29,910,615
Unrealised FX losses	-	-	-	-	(6,509,711)	(6,509,711)
Unrealised Investment gains/(losses)	112,967	10,249,006	48,125	(1,282,264)	(22,944,284)	(13,816,450)
Market value as at 31 December 2023	9,183,771	222,759,615	686,051	-	105,958,248	338,587,685

*Other equities comprised Common and Preferred Shares in FIL and ERS.

9 Investments (cont.)

Recognised fair value measurements

To provide an indication about the reliability of the inputs used in determining fair value, the Foundation has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

	Level 1	Level 2	Level 3	Total 2024
	£	£	£	£
Listed Equities	7,512,884	-	-	7,512,884
Mutual Funds	127,861,827	110,194,906	-	238,056,733
Mutual Funds (Restricted Fund)	678,183	-	-	678,183
FIL Limited & ERS Shares	-	-	103,120,030	103,120,030
Total	136,052,894	110,194,906	103,120,030	349,367,830

	Level 1	Level 2	Level 3	Total 2023
	£	£	£	£
Listed Equities	9,183,771	-	-	9,183,771
Mutual Funds	97,291,540	125,468,075	-	222,759,615
Mutual Funds (Restricted Fund)	686,051	-	-	686,051
FIL Limited & ERS Shares	-	-	105,958,248	105,958,248
Total	107,161,362	125,468,075	105,958,248	338,587,685

There were no transfers between any of the levels for recurring fair value measurements during the year (2023: £nil). The Foundation's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Exposure to market risk

The values of the investments are subject to foreign currency risk related to amounts denominated in currencies other than GBP, mainly being the US Dollar. If the US Dollar weakened as compared to GBP by 5%, the investment values would reduce by c. £8m (2023: £8m). The values of the investments are also subject to market risk. If the equity markets experienced a 5% downturn, the investment values would reduce by c. £8m (2023: £10m). If the value of shares in FIL Limited and ERS fell by 5%, the impact would be c. £5m.

THE FIDELITY UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (cont.)

10 Debtors

	2024	2023
	£	£
Management fee rebates	322,886	312,387
Dividend receivable	119,022	152,746
Other debtors	-	-
	<u>441,908</u>	<u>465,133</u>

11 Cash at bank

	2024	2023
	£	£
Cash at bank	<u>17,200,974</u>	<u>11,182,676</u>

12 Creditors

	2024	2023
	£	£
Amounts falling due within one year:		
Grants	13,644,449	9,685,775
Accrued administration services	124,592	128,971
Other creditors	36,533	95,450
	<u>13,805,574</u>	<u>9,910,196</u>
Amounts falling due after more than one year:		
Grants	4,593,251	4,430,213
	<u>18,398,825</u>	<u>14,340,409</u>

Movement in grant commitments during the year:

	2024	2023
	£	£
Grant commitments recognised at start of year	14,115,988	11,638,843
New grant commitments charged to SoFA in year (note 6)	14,786,660	13,030,082
Grants written back during the year	(16,906)	(129,374)
Grants paid during the year	(10,647,851)	(10,420,232)
FX loss on grants payable	(192)	(3,331)
Amount of grant commitments recognised at end of year	<u>18,237,699</u>	<u>14,115,988</u>

13 Contingent Liabilities

The Foundation had no contingent liabilities at 31 December 2024 (2023: nil).

14 Net cash used in operating activities

	2024	2023
	£	£
Net movement in funds (excluding endowment)	(5,388,099)	(5,280,094)
Less: investment income earned	(3,358,817)	(3,977,812)
Add: investment management costs	2,070	1,869
Less: investment gains on restricted fund	(74,425)	(37,150)
Add: investment losses on unrestricted fund	(0)	45,612
Decrease in debtors	(0)	144,592
Increase in creditors	4,058,537	2,535,207
Net cash outflow used in operating activities	<u>(4,760,734)</u>	<u>(6,567,776)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (cont.)

15 Net gains on investments and cash

	2024	2023
	£	£
Unrealised investment gains/(losses)	3,806,382	(13,816,451)
Realised gain on disposals	11,339,265	29,600,231
Realised gain from rebates	1,308,045	1,211,197
Realised loss on distribution received	-	(47,354)
Unrealised FX (losses)/gains on cash	(11,333)	35,136
Unrealised FX (losses)/gains on investments	1,737,031	(6,509,711)
Other exchange rate gains	192	315,458
Net gains on investments and cash	<u>18,179,582</u>	<u>10,788,506</u>

16 Analysis of movement in funds

	Balance 01 January 2024	Income	Expenditure	Net gains on investments	Transfer between funds	Balance 31 December 2024
	£	£	£	£	£	£
Unrestricted funds	(2,796,162)	10,098,003	(15,412,912)	-	6,444,467	(1,666,604)
Restricted funds	458,014	2,210	(150,017)	74,617	-	384,824
Endowment funds	338,233,233	-	(64)	18,104,965	(6,444,467)	349,893,667
Total funds	<u>335,895,085</u>	<u>10,100,213</u>	<u>(15,562,993)</u>	<u>18,179,582</u>	<u>-</u>	<u>348,611,887</u>

	Balance 01 January 2023	Income	Expenditure	Net losses on investments	Transfer between funds	Balance 31 December 2023
	£	£	£	£	£	£
Unrestricted funds	(6,558,937)	8,547,489	(13,677,255)	(45,612)	8,938,153	(2,796,162)
Restricted funds	562,730	4,819	(150,017)	40,482	-	458,014
Endowment funds	336,377,878	-	(128)	10,793,636	(8,938,153)	338,233,233
Total funds	<u>330,381,671</u>	<u>8,552,308</u>	<u>(13,827,400)</u>	<u>10,788,506</u>	<u>-</u>	<u>335,895,085</u>

See Funds and Reserves Policy section of the Trustees' Report for more details.

17 Related party transactions

During 2024, the Foundation received a donation of £6,200,000 from FIL Holdings (UK) Limited ("FHL") (2023: £4,200,000 from FHL). FHL is a subsidiary of FIL. FIL is a company with four directors in common with the Foundation's Trustees.

The Foundation investments include £245,569,617 of funds held in an investment portfolio managed by FIL Pensions Management ("FPM") (2023: £231,943,386). FPM is a subsidiary of FIL. Within the investment portfolio, underlying funds valued at £180,246,865 (2023: £185,552,683) are managed by subsidiaries of FIL. The Foundation holds investments managed by subsidiaries of FIL valued at £549,425 (2023: £569,075) in a restricted fund for the W L "Bill" Byrnes Global Scholarship Fund. Annual management charges of £1,308,045 (2023: £1,211,192) were rebated to the Foundation during the year. Income in 2024 from these investments was £961,197 (2023: £1,167,074). At 31 December 2024, an amount of £322,886 was receivable from FPM in relation to rebated management charges (2023: £312,388) and an amount of £119,021 was receivable in relation to investment income (2023: £152,746).

Investments also include £40,350,606 of Common and Preferred Shares in FIL (2023: £39,758,071 of Common shares in FIL). Dividend income in 2024 from these investments was £0 (2023: £35,601).

Cash at bank and in hand includes £15,607,342 (2023: £10,903,697) of units in a fund of Fidelity Institutional Liquidity Fund plc, which is managed by FIL Investment Management (Luxembourg) S.A., Ireland Branch, a wholly owned subsidiary of FIL.

The Foundation does not employ any staff directly. Management, overhead and administration expenses of the Foundation are initially paid by FIL Investment Management Limited ("FIML") and subsequently recharged through an Administration Services Agreement set up with the Foundation. Costs attributed to the Foundation and recharged for the year were £677,849 including VAT (2023: £796,316). FIML is a wholly owned subsidiary of FIL. As at 31 December 2024, an amount of £132,025 was payable to FIML in relation to administration expenses (2023: £195,200).

FIML also provides administration services to Fidelity Asia Pacific Foundation, Fidelity Bermuda Foundation, and Fidelity Europe Foundation, separate charitable trusts (formerly one Foundation known as Fidelity International Foundation), which each have five Trustees in common with the Foundation. There have been no transactions between the Foundation and any of the other foundations during the year and there are no balances outstanding between the four entities.

18 Post balance sheet event

In February 2025, the Foundation was notified by a grantee that the project relating to a grant approved in 2023 is no longer ongoing as planned due to the organisation's closure. The remaining unpaid grant amount of £80,273 will be written back in the 2025 financial statements.

In March 2025, the Foundation's Independent Trustees Subcommittee approved a proposal to sell 79,766 ERS preferred shares in exchange for new preferred shares issued by ERS worth \$44,750,571.

19 Statement of Financial Activities for the year ended 31 December 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £
Income and Endowments from:					
Donations	2	4,203,767	688	-	4,204,455
Investments	3	4,343,722	4,131	-	4,347,853
Total		8,547,489	4,819	-	8,552,308
Expenditure on:					
Raising funds (investment management costs)	4	(1,869)	-	-	(1,869)
Charitable activities (including governance costs)	5	(13,675,386)	(150,017)	(128)	(13,825,531)
Total		(13,677,255)	(150,017)	(128)	(13,827,400)
Net (expense) and net movement in funds before (losses)/gains on investments		(5,129,766)	(145,198)	(128)	(5,275,092)
Net (losses)/gains on investments and cash	15	(45,612)	40,482	10,793,636	10,788,506
Net (expense)/income and net movement in funds		(5,175,378)	(104,716)	10,793,508	5,513,414
Reconciliation of funds					
Total Funds of the Foundation brought forward at 1 January		(6,558,937)	562,730	336,377,878	330,381,671
Transfer between funds		8,938,153	-	(8,938,153)	-
Total Funds of the Foundation carried forward at 31 December		(2,796,162)	458,014	338,233,233	335,895,085

THE FIDELITY UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (cont.)

20 Balance Sheets as at 31 December 2024 and 31 December 2023 analysed by fund

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	Total Funds 2024 £
Fixed assets				
Investments	-	678,184	348,689,646	349,367,830
Total fixed assets	-	678,184	348,689,646	349,367,830
Current assets				
Debtors	119,022	-	322,886	441,908
Cash at bank and in hand	16,315,147	4,692	881,135	17,200,974
Total current assets	16,434,169	4,692	1,204,021	17,642,882
Liabilities				
Creditors: amounts falling due within one year	(13,717,522)	(88,052)	-	(13,805,574)
Net current assets/(liabilities)	2,716,647	(83,360)	1,204,021	3,837,308
Total assets less current liabilities	2,716,647	594,824	349,893,667	353,205,138
Creditors: amounts falling due after more than one year	(4,383,251)	(210,000)	-	(4,593,251)
Net (liabilities)/assets	(1,666,604)	384,824	349,893,667	348,611,887
	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £
Fixed assets				
Investments	-	686,052	337,901,633	338,587,685
Total fixed assets	-	686,052	337,901,633	338,587,685
Current assets				
Debtors	152,746	-	312,387	465,133
Cash at bank and in hand	11,159,400	4,063	19,213	11,182,676
Total current assets	11,312,146	4,063	331,600	11,647,809
Liabilities				
Creditors: amounts falling due within one year	(9,826,645)	(83,551)	-	(9,910,196)
Net current assets/(liabilities)	1,485,501	(79,488)	331,600	1,737,613
Total assets less current liabilities	1,485,501	606,564	338,233,233	340,325,298
Creditors: amounts falling due after more than one year	(4,281,663)	(148,550)	-	(4,430,213)
Net (liabilities)/assets	(2,796,162)	458,014	338,233,233	335,895,085

21 Grants awarded during 2024

Enabling disadvantaged children and young people to fulfil their potential

During the course of the year 21 grants were given to organisations active in the field of tackling disadvantage among children and young people with a total value of £4,790,328 (2023: 20 grants, total value £3,356,215).

Grantee Description of Grant	Amount of Grant
Education attainment:	
The Reach Foundation Building organisational capacity and stakeholder engagement through a digital transformation project.	£362,000
BookTrust Development of a new Content Management System and improved website functionality, and appointment of a new fixed-term post of Digital Transformation Project Manager to enhance reach and impact.	£271,500
The National Literacy Trust Towards a new post of Head of Effective Delivery and technology upgrades.	£270,000
The Difference Education Ltd Towards a new post of Research and Impact Officer to support high-quality monitoring and evaluation.	£121,000
Action Tutoring Towards independent evaluation of primary school maths programme and migration to a new e-learning platform.	£94,005
The Girls' Network Towards appointing a consultant to undertake an audit of digital and IT systems.	£20,000
Community-based interventions:	
Thrive at Five Towards new posts of Senior Data and Evaluation Manager and Senior Communications Manager, alongside consultancy support towards business planning and CRM development to expand reach and impact.	£352,500
Greenhouse Sports Limited Towards a new Impact Portal and software to improve data collection and evidence of impact.	£315,600
Chance to Shine Foundation Ltd Towards a new post of Leadership and Coaching Manager to support growth and an e-learning platform to enhance training efficiencies.	£232,000
XLP Enhancing impact measurement through a re-design of Salesforce to support expansion.	£150,000
Future Men Towards a new post of Head of Impact and Evaluation.	£144,500
Employability:	
Street League Towards four new posts; Head of Marketing & Communications, Head of Operations and two Functional Skills Tutors in Greater Manchester and Merseyside to support growth.	£428,000
Environmental Vision Towards three new posts: Partnerships Officer and two Delivery Managers in London and Birmingham to expand reach.	£248,700
upReach Charitable Company Towards new posts of Product Consultant and Senior Product & Operations Manager to transform upReach's technology capabilities.	£232,003
Drive Forward Foundation Towards a new post of Impact and Evaluation Manager.	£146,000
Breaking Barriers Towards a new finance system to support operational efficiencies.	£74,520

21 Grants awarded during 2024 (cont.)**Enabling disadvantaged children and young people to fulfil their potential (cont.)**

Grantee Description of Grant	Amount of Grant
Wellbeing:	
Anna Freud Centre Towards appointing three new posts (IT Manager, Head of Digital Learning, Salesforce Administrator) to support the development and launch of the Anna Freud Digital Academy to increase the training for mental health professionals.	£430,000
Mental Health Innovations Towards the costs of a merger between Mental Health Innovations and YouthNet UK (operating as The Mix)	£350,000
Lucy Faithfull Foundation Towards new posts of Director of Research and Impact and a Data Analyst.	£330,000
Empire Fighting Chance Towards a new post of Head of Delivery	£143,000
The For Baby's Sake Trust A new case management system and mobile device management system to increase operational efficiencies and cyber security	£75,000
Total	£4,790,328

Arts, Culture and Heritage

During the course of the year 30 grants were given to organisations active in the field of Arts, Culture and Heritage with a total value of £5,977,788 (2023: 23 grants, total value £5,266,604).

Grantee Description of Grant	Amount of Grant
Chiswick House and Gardens Trust Towards phase one of a site redevelopment to increase community access, grow visitor numbers and volunteer engagement and increase earned income	£400,000
Tullie House Museum and Art Gallery Trust Towards phase three of a major site redevelopment project - 'Project Tullie'	£400,000
The Horniman Public Museum and Public Park Trust Towards Nature + Love gallery and garden redevelopment project to widen audiences and support environmental sustainability ambitions	£342,731
The Roundhouse Trust Development of the Roundhouse Digital Platform to build a strong digital offer	£330,000
Whitechapel Gallery Towards two new fixed term IT roles (IT Systems Manager and IT Technician) and IT equipment updates to improve efficiency and build capacity	£307,803
Pitzhanger Manor & Gallery Trust Towards new posts of Venue Hire Sales Executive and an Event Manager, alongside building enhancements to grow commercial hires and earned income	£305,000
FACT Liverpool Towards two new posts of Producer and Technologist, business development consultancy, venue facility upgrades and a new CRM.	£301,871
Julie's Bicycle Towards a new post of Researcher, IT consultancy and a new CRM.	£261,139
Pallant House Gallery Towards a new ground source heat pump and air-handling unit upgrades	£260,000
Sir John Soane's Museum Towards a new post of Head of IT Operations, alongside the completion of an IT infrastructure upgrade and a Visitor Journey Analytics audit.	£255,000

THE FIDELITY UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (cont.)

21 Grants awarded during 2024 (cont.)

Arts, culture and heritage (cont.)

Grantee Description of Grant	Amount of Grant
Kiln Theatre Renovating the Kiln Theatre's current cinema space and public toilets, and towards a new post of Event and Sales Manager to grow earned income and increase financial resilience	£254,892
Yvonne Arnaud Theatre Trust Reconfiguration and improvements to ground floor to strengthen income and community use	£250,000
The De La Warr Pavilion Charitable Trust Towards new posts of Data & Insights Manager and Digital Research & Development Manager to increase digital skills and drive income growth	£220,000
The Public Catalogue Foundation Towards a new CRM, website upgrades and consultancy to improve audience data.	£218,000
St Bartholomew's Heritage Towards a new post of Commercial Manager, marketing activity and external consultancy costs to support the development of new events and private hire offer in preparation for the public opening in 2025.	£215,000
Compton Verney House Charity Towards two new posts: Data & Evaluation Coordinator and Audience Insight Manager.	£211,600
Chapter (Cardiff) Limited Venue facility upgrades to increase capacity to diversify programme activity and generate earned income.	£150,000
South London Fine Art Gallery and Library Towards a new post of Partnerships Manager and a new CRM to increase commercial and philanthropic income.	£150,000
UK Music Masters Ltd Towards new posts of Operations and Systems Manager, Digital Technology Specialist and IT system updates	£149,040
Eden Court Highlands Enhancing commercial income through the appointment of a new post of Commercial Associate, implementing a new data platform, and improving the layout and facilities of the café-bar	£145,055
National Centre for Writing Towards a new post of Digital Marketing and Content Coordinator to increase digital capacity and to commission new learning content to diversify audiences and generate revenue	£142,141
Royal Drawing School Towards a new CRM to increase and diversify participant reach to build future sustainability	£112,500
The National Museum of Labour History Towards a new post of Events Sales Officer, alongside updates to venue facilities, to grow earned income from venue hire.	£110,000
Fulham Palace Trust A new CRM, IT and system updates and new conferencing equipment to build earned income through corporate hires and events.	£108,000
The Geffrye Museum Trust Towards a new post of Public Programmes Manager to grow earned income through event sales and commercial hires.	£104,000
The Koestler Trust Digitisation of the charity's awards application system	£101,408
Outside In Art Towards a new post of Commercial Co-ordinator and to build an e-commerce platform.	£84,608
Painshill Park Trust Ltd A new CRM, an integrated sales system and new hardware to improve data collection and analysis to support increased earned and philanthropic income.	£48,000
Creative Folkestone Appointment of an external consultant to undertake scoping work for the feasibility of developing a new individual giving programme to grow new income streams.	£20,000
The Clore Leadership Programme To appoint external consultants to support business planning.	£20,000
Total	£5,977,788

21 Grants awarded during 2024 (cont.)

Health and Wellbeing

During the course of the year 7 grants were given to organisations active in the field of Health and Wellbeing with a total value of £1,769,907 (2023: 13 grants, total value £2,823,256).

Grantee Description of Grant	Amount of Grant
Teenage Cancer Trust Towards a new CRM, data migration and a fixed-term Delivery Manager.	£400,000
Society for Horticultural Therapy Towards a new post of Business Development Lead and IT Manager, alongside IT system upgrades.	£270,000
Surviving Economic Abuse Towards a new post of Data and Operations Officer to enhance data management and compliance, and new financial management and HR tools to enhance operational efficiencies.	£149,132
Friends, Families and Travellers Towards a new post of Fundraising Manager and Donor Management Platform to support organisational sustainability and improve efficiency.	£145,576
Asthma and Lung UK To enhance data and insight approaches and implement a new finance system to build efficiency and enable the organisation to be more data-led.	£419,274
The Maggie Keswick Jencks Cancer Caring Centres Trust New finance system to increase organisational efficiencies and support financial planning.	£236,000
Action for M.E. Towards a new post of Philanthropy Manager to increase fundraised income and support financial sustainability.	£149,925
Total	£1,769,907

Environmental Conservation

During the course of the year 7 grants were given to organisations active in the field of Environmental Conservation with a total value of £1,958,637 (2023: 1,034,007).

Grantee Description of Grant	Amount of Grant
The London Wildlife Trust Towards two posts of Director of Nature Recovery and Chief Operating Officer, alongside a new remote sensing system and CRM upgrades	£552,000
The Woodland Trust Towards digital and data transformation programme to strengthen cyber security and become more data, evidence and insight led.	£400,000
Plantlife International - The Wild Plant Conservation Charity Building knowledge and skills within Plantlife to influence and effectively harness nature-based markets to improve biodiversity and generate income.	£335,000
Trees for Cities Towards a new post of IT & Data Manager, and consultancy support to enhance data management.	£198,866
Rewilding Britain Towards a new post of Rewilding Landscapes Manager, alongside associated project delivery and communications costs.	£189,000
Bumblebee Conservation Trust Towards new post of Head of Outreach and Volunteering, and consultancy to establish and implement monitoring and evaluation frameworks.	£146,000
Action for Conservation Towards a new post of Fundraising Officer, alongside consultancy and technology costs to build a new CRM platform and an organisational impact framework.	£137,771
Total	£1,958,637

THE FIDELITY UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (cont.)

21 Grants awarded during 2024 (cont.)

Other

During the course of the year 0 grants were given to Cross Sector projects with a total value of £0 (2023: 2 grants, total value £300,000) and 7 grants were given to organisations at the request of the unaffiliated Trustees with a total value of £140,000 (2023: 5 grants totalling £100,000).

Grantee Description of Grant	Amount of Grant
Trustee Grants:	
The Dorset Natural History and Archaeological Society Towards the Museum's running costs.	£20,000
Parochial Church Council of Ecclesiastical Parish of St. Michael and All Angels, Broadway Towards repairs and upgrades to the organ electrical control system	£20,000
The Chiltern Society Towards repairs to Lacey Green Windmill and towards programme costs.	£20,000
Longborough Festival Opera Towards the filming of the summer production.	£20,000
The PCC of the Ecclesiastical Parish of St Paul, Grove Park, Chiswick W4 Upgrading the church's hall, kitchen and garden to increase fundraising revenue.	£20,000
Solutions Not Sides Towards the youth Education programme.	£20,000
Springvale Training Ltd Towards the Onwards & Upwards Programme.	£20,000
Total	£140,000

Grants from the W L "Bill" Byrnes Global Scholarship Fund

During the course of the year 1 grant of £150,000 was approved from the W L "Bill" Byrnes Global Scholarship Fund (2023: 1 grant of £150,000).

Grantee Description of Grant	Amount of Grant
London Business School Scholarships for students commencing a Masters in Financial Analysis programme.	£150,000
Total	£150,000

THE FIDELITY UK FOUNDATION

England & Wales - Charity number 327899

Accounts

THE FIDELITY UK FOUNDATION

(Registered Charity Number: 327899)

**Annual Report and Financial Statements
for the year ended 31 December 2023**

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees submit their annual report and audited financial statements for The Fidelity UK Foundation ("the Foundation") for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Trust Deed, the Charities Act 2011, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (the "Charities SORP").

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

Objective and activities for the public benefit

The objective of the Foundation is to make grants to organisations for charitable purposes, as recognised by the laws of England and Wales. The objective is consistent year to year.

The Foundation's strategy for achieving this objective is to build an endowment out of which sustainable, long-term grant-making programmes can be established. The Trustees set annual grant budgets designed to balance current grant-making programmes and the long-term future of the Foundation. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and in planning future activities and setting the grant-making policy for the year.

Grant-making guidelines

The Foundation has established its grant-making guidelines to achieve its objective for the public benefit. Grant-making guidelines are reviewed annually to ensure that they continue to reflect the Foundation's objective and thereby advance public benefit.

The Foundation directs the majority of its grants to UK registered charities operating in the UK, primarily in the fields of:

- Enabling disadvantaged children and young people to fulfil their potential
- Health and wellbeing
- Arts, culture and heritage
- Environmental conservation

The Foundation aims to strengthen the impact, efficiency and/or sustainability of the charitable organisations that it supports. As such, the Foundation has a focus on supporting capacity-building, by which the Foundation means the capacity, knowledge and resources that charities need to be effective.

Each grant application is considered on an individual basis against the Foundation's grant-making guidelines. Foundation representatives (and from time to time, Trustees) meet with applicants to establish a fuller understanding of an organisation and its needs.

In addition to reviewing an applicant's fit with the Foundation's grant-making guidelines, other factors considered as part of the due diligence process include: the organisation's impact and its role relative to other organisations in the field; strategic plans; leadership and governance; operations; financial health; and the degree to which the project for which funding is requested will strengthen an organisation's impact, efficiency and/or sustainability.

Grantees are requested to report to the Foundation on progress towards achieving the goals of the project supported as outlined in their application to the Foundation, on a periodic basis. Foundation representatives also have periodic contact with grantees so we can learn from grants made.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (cont.)

Grant-making guidelines (cont.)

The Foundation's focus and approach to grant-making is outlined on the website www.fidelityukfoundation.com.

The Foundation can make grants outside of the categories and grant-making guidelines described above.

Grants made from the W L "Bill" Byrnes Global Scholarship Fund are made in line with that fund's purpose (see Funds and reserves policy section for more details).

Achievements and performance in 2023

During 2023, the Trustees met their objective of awarding grants to charitable organisations with a view to strengthening their impact, efficiency and/or sustainability, thereby delivering public benefit. In 2023, 67 grants were awarded totalling £13,030,082.

In 2023, the Foundation established a strategic framework for its programme focused on environmental conservation. The goal of the programme is to strengthen the capacity of non-profit organisations to protect and restore the environment, for the benefit of people, nature and climate, focusing on organisations active in two fields: land and freshwater conservation; and access and connectivity to nature.

In terms of the Foundation's operations, a new grants management system was launched in 2023 to enhance user-experience, efficiency and data analysis.

Grants were awarded in 2023 as follows:

Area	Number of grants awarded	Total amount awarded	% of total by amount
Disadvantaged children and young people	20	£3,356,215	26%
Arts, culture and heritage	23	£5,266,604	40%
Health and wellbeing	13	£2,823,256	22%
Environmental conservation	3	£1,034,007	8%
Other	7	£400,000	3%
Grant(s) from the W L "Bill" Byrnes Global Scholarship Fund	1	£150,000	1%
Total	67	£13,030,082	100%

Grants were awarded in 2022 as follows:

Area	Number of grants awarded	Total amount awarded	% of total by amount
Disadvantaged children and young people	28	£4,770,621	45%
Arts, culture and heritage	14	£2,630,195	25%
Health and wellbeing	9	£2,406,935	23%
Other	7	£711,500	7%
Total	58	£10,519,251	100%

Further details of the grants awarded are included in note 6. A full list of all grants awarded in 2023 is included in note 20 to the financial statements.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (cont.)

Financial review

The Foundation is committed to building and maintaining an invested fund for the long-term benefit of the Foundation and its beneficiaries and remains in a sound financial position. The net assets of the Foundation increased by 1.7% from £330,381,671 at the start of the year to £335,895,085 at 31 December 2023.

Donations received were £4,204,455 (2022: £3,403,712) and the Foundation approved grants totalling £13,030,082 (2022: £10,519,251). One grant of £129,374 was cancelled and written back during 2023 as the grantee organisation ceased operating and the project that the Foundation had agreed to fund was therefore cancelled. No grants were returned during 2023. (2022: 4 amounts totalling £401,392 written back and credited to the statement of financial activities).

Investment policy and performance

The Foundation's assets have continued to be managed in accordance with the provisions of the Trust Deed, the Trustee Act 2000, the Charity Commission's guidance and the Foundation's Investment Policy, which was revised in November 2023 and sets out the long-term investment objective, risk profile, and the Foundation's approach to Responsible Investing.

The financial objective of the portfolio of funds managed on behalf of the Foundation by FIL Pensions Management ("the managed portfolio") is to achieve a real return of 4% per annum (calculated as 4% + UK Consumer Prices Index) over the long term. The portfolio is diversified across a broad range of asset classes, industries, geographies and investment strategies. The Foundation supports the view that the effective management of environmental, social and governance ("ESG") issues by companies it invests in is an important component in achieving good financial performance and long-term growth. As such, the Foundation actively encourages its investment manager(s) to integrate ESG issues into investment analysis and decision-making processes, including voting and engagement.

The Foundation holds common and preferred shares in FIL Limited ("FIL") and Eight Roads Shareholdings Limited ("ERS").

The Finance & Investment Subcommittee is authorised by the Board to monitor, review and manage all aspects of the Investment Policy and strategy and to provide oversight of the operation of the investments, ensuring that these arrangements are aligned with the Foundation's Investment Policy

At 31 December 2023, the total value of investments was £338,587,685 (2022: £336,492,047). The managed portfolio was valued at £231,943,386 (2022: £199,699,806), the FIL and ERS shares were valued at £105,958,248 (2022: £136,118,823) and investments held in the name of the W L "Bill" Byrnes Global Scholarship Fund were valued at £686,052 (2022: £673,418).

For the year to 31 December 2023 the investment portfolio (excluding the FIL and ERS shares) delivered a return of 8.4% compared with the benchmark return of 10.5% (2022: return of -4.9% compared with the benchmark return of -4.1%). The FIL and ERS shares delivered a return of 3% (excluding dividends) over the same year (2022:-5%).

Trustees will continue to closely monitor performance during 2024.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (cont.)

Risk management

As outlined in the Foundation's risk register, Trustees have identified the following risks: governance/compliance risk; operational risk; financial risk; grant-making risk; and reputational risk.

Governance/compliance risk - relates to the Foundation meeting regulatory, accounting and legal compliance requirements.

The Foundation actively manages these risks through robust internal controls, effective application of relevant policies, engagement with specialist advisers for legal requirements and regular reporting to Trustees.

Operational risk - relates to the Foundation being unable to deliver its work.

The Foundation actively manages these risks through robust internal controls, an Administrative Services Agreement with Fidelity International and a business continuity plan.

Financial risk - relates to the Foundation meeting its financial commitments and long-term objectives, financial reporting and record keeping, liquidity, market and credit risk.

- Liquidity risk is the risk that the Foundation does not have sufficient available resources to enable it to meet its obligations as they fall due or can only secure them at excessive cost.
- Market risk is the risk of adverse financial impact due to changes in the fair values of the Foundation's investments as a result of fluctuations in foreign currency exchange rates, interest rates, fund and equity prices. Foreign exchange rate risks exist related to the investments and cash denominated in foreign currencies. Interest rate risk exists related to cash and investments in liquidity funds that are subject to daily interest rate variances. Fund and equity price risk exists due to market driven fluctuations in the investment portfolio values.
- Credit risk is the risk of a counterparty failing to meet its financial obligations to the Foundation. Investments and cash are only held with financial institutions of an appropriate standing and which have been approved by the Trustees.

The Foundation actively manages these risks, with oversight from the Finance & Investment Subcommittee, through robust internal controls, effective application of relevant policies, regular monitoring and reporting of the financial performance of investments, and regular cash flow and liquidity forecasting.

Grant-making risk - relates to the Foundation's ability to achieve its grant-making objectives.

The Foundation actively manages this risk through annual review of grant-making guidelines, clear approach to grant-making, due diligence and grants administration, clear decision-making processes and monitoring of grantee performance against project goals.

Reputational risk - relates to the Foundation's ability to respond effectively to any incident that could affect the Foundation's reputation.

The Foundation actively manages this risk through application of all Foundation policies, and also through clear terms and conditions in grant agreements, and the monitoring of the application of grants made through reports received from grantees.

A detailed risk register, which includes details of the mitigating actions, is reviewed annually by the Trustees. The Trustees confirm that they are satisfied with the procedures which have been established to regularly monitor these risks and with the action taken to mitigate exposure to them.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (cont.)

Funds and reserves policy

The Trustees wish to build a substantial Foundation for long-term charitable purposes. As the level and frequency of future donations is uncertain, the Trustees have established an expendable endowment fund to provide sufficient future income and growth to ensure the Foundation's long-term sustainability and to meet its overall charitable objectives. The Trustees have targeted an expected level of overall growth (capital and income) from the invested funds and expect to be able to spend around 5% of the average endowment fund over the previous three years for grant-making, administration and other costs in the subsequent year, while preserving the real value of the endowment. For 2023, this resulted in a grant-making budget of £14,000,000 +/- 10% (2022: £13,000,000).

The endowment fund represents the managed portfolio and shares in FIL and ERS. When donations are received, these are either invested into the managed portfolio or allocated to unrestricted funds as required. The Trustees have discretion to transfer some or all of the capital of the endowment to the unrestricted fund in circumstances which they consider would justify it, having regard to the need to maintain an appropriate balance between the interests of present and future beneficiaries. The value of the endowment fund at 31 December 2023 was £338,233,233 (31 December 2022: £336,377,878).

The unrestricted fund provides the working capital of the Foundation for grant-making, administration and other costs. The level of funds and estimates of likely future expenditure are monitored and reviewed on a regular basis and transfers are made from the endowment, if necessary.

The Foundation's managed portfolio is sufficiently liquid to enable the redemption of amounts to be transferred to the unrestricted fund allowing the Foundation to meet payment commitments as they fall due. The Trustees have concluded that, based on current conditions and considering their ability to transfer from the expendable endowment, the level of unrestricted funds should generally not exceed the value of one year's forecast expenditure.

A total amount of £5,500,000 was redeemed from the managed portfolio during 2023 (2022: £1,700,000) and £3,105,665 was transferred to the unrestricted fund (2022: £657,179). The Foundation sold a portion of its holding in FIL during the year generating proceeds of £25,832,488. An amount of £20,000,000 from the sale proceeds was transferred into the managed portfolio (and therefore remained part of the endowment fund) with the balance of £5,832,488 being transferred to the unrestricted fund. The value of unrestricted funds at 31 December 2023 was a deficit of £2,796,162 (2022: deficit of £6,558,937). Any deficit in the unrestricted funds can be funded by redemptions from the managed portfolio and a transfer between funds at the Trustees' discretion.

The restricted fund represents the W L "Bill" Byrnes Global Scholarship Fund, which was established in 2019 as a restricted fund within the Foundation to honour one of the founders of Fidelity International, Bill Byrnes, by receiving, managing and investing donations received in his memory and using these funds to provide scholarships to talented business students from around the world via specific business schools. The value of the restricted fund at 31 December 2023 was £458,014 (2022: £562,730).

Each month, the Foundation prepares rolling cash flow forecasts of its financial position looking fifteen months ahead. Cash flow forecasts for the twelve months from the date of approval of the financial statements have also been considered to reflect a 'worst case scenario'. This assumes: zero investment or donation income; that current grant-making budgets are sustained (based on an annual budget calculated as referenced above); and, together with anticipated administration and other expenses and payments of existing grant commitments, all expenditure is funded through transfers from the endowment into the unrestricted funds. Based on these forecasts, the Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern and the financial statements are prepared on this basis.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (cont.)

Plans for future periods

The Trustees are committed to continuing to make grants in accordance with the stated objective of the Foundation and to source grant proposals matching the Foundation's grant criteria. The Trustees aim to set a grant budget at a level that will allow the Foundation to meet its objective, while maintaining a sustainable level of assets for future periods.

In the forthcoming period, the Trustees anticipate the overall value of grants awarded to increase. While continuing to make grants in line with the strategic frameworks for each of the programmes and as outlined in the grant-making guidelines, the Foundation will also continue to review its work as it learns from grants made, reflects on impact and adapts to the changing context.

Structure, governance and management

The Foundation is a registered charity, number 327899, which is constituted as a charitable trust under a Trust Deed dated 13 July 1988. This Trust Deed authorises Trustees to make decisions regarding the allocation of funds.

Trustees meet three times a year, the Finance & Investment Subcommittee meets twice a year, and the Independent Trustees Subcommittee meets once per year. Various policies and guidelines are in place and are reviewed periodically to ensure sufficient governance arrangements and effective monitoring. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 7 and 17 to the financial statements. From time to time a grant may be awarded to an organisation with which a Trustee is involved in some capacity. Trustees are required to disclose all relevant interests, which are then recorded in a conflicts of interest register, and in accordance with the Foundation's policy withdraw from decisions where any conflict of interest arises.

Any new Trustees are appointed by the settlor, FIL Investment Services (UK) Limited, based on their ability to add value to the Foundation. Newly appointed Trustees are given an induction, during which they are briefed on investments, the grant-making process and the powers and responsibilities of the Trustee board. A brief history of the Trust, copies of board and sub-committee minutes, annual reports and financial statements, and a copy of the governing Trust Deed are made available to the incoming Trustee.

The Trustees of the Foundation have absolute discretion in the application of any income and capital of the Foundation for any purpose recognised as charitable by the law of England and Wales. Decisions regarding the application of funds and investment strategy are made at meetings of the board of Trustees.

Grant proposals are presented to Trustees at board meetings and between meetings via email. Decisions are arrived at on the basis of mutual agreement among Trustees. Some grants payable are subject to certain conditions being met by the recipients as outlined in grant offer packs.

The Trustees have established policies and procedures for delegated authority whereby grants of under £150,000 are subject to approval by either one or two Trustees (dependent on grant size). Grants of £20,000 or under can be made at the discretion of the Foundation's Chief Executive.

The five Trustees that are unaffiliated to FIL (see note below) also have a small budget for allocation to charitable organisations; these donations fall within the overall grant-making strategy of the Foundation and are not normally made to charities in which the 'unaffiliated' Trustee is involved in a formal capacity and in such cases, proposals are considered by the Board.

The Foundation has not carried out any fundraising activities during the year. The Foundation received an unsolicited donation of £250 during the year to the W L "Bill" Byrnes Global Scholarship Fund.

Day to day management of the Foundation's operations is carried out by FIL Investment Management Limited ("FIML"), as outlined in an Administrative Services Agreement. FIML has been one of the principal donors to the Foundation. Further details are provided in note 17 to the financial statements.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (cont.)

Reference and administrative information

Trustees

The Trustees of the Foundation who were in office during the year and up to the date of signing the financial statements were:

A J Bolton
S R Gandhi
P D Goldsbrough
A P Johnson
E B Johnson (retired 6 December 2023)
E C Johnson IV (Chair)
E L Johnson (appointed 28 February 2024)
J W Owen
M A Rogers
S E Walden
L Y Yueh (appointed 25 January 2024)

All of the Trustees are associated with the principal donors to the Foundation, with the exception of the five unaffiliated Trustees: S R Gandhi, P D Goldsbrough, J W Owen, M A Rogers and L Y Yueh.

Registered Office:	Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP
Administrators:	FIL Investment Management Limited, 4 Cannon Street, London EC4M 5AB (Foundations Chief Executive: Lenka Setkova)
Investment Advisors:	FIL Pensions Management, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP
Bankers:	Barclays Bank PLC, 73-75 Calverley Road, Tunbridge Wells, Kent TN1 2UZ
Solicitors:	Bates, Wells and Braithwaite London LLP, 10 Queen Street Place, London EC4R 1BE
Independent Auditors:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors, 1 Embankment Place, London WC2N 6RH
Registered Charity Number:	327899

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023 (cont.)

Statement of Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & 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 Foundation and of the incoming resources and application of resources of the Foundation for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards comprising FRS 102, 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 Foundation 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 Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors

The Trustees have re-appointed the auditors, PricewaterhouseCoopers LLP, for the year to 31 December 2024.

Approved by the Trustees on 9 April 2024 and signed on their behalf by:



Trustee: P D Goldsbrough
Date: 9 April 2024

Independent auditors' report to the Trustees of The Fidelity UK Foundation

Report on the audit of the financial statements

Opinion

In our opinion, The Fidelity UK Foundation's financial statements (the "financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008).

We have audited the financial statements, included within the Annual Report and Financial Statement (the "Annual Report"), which comprise: the balance sheet as at 31 December 2023; the statement of financial activities for the year then ended; cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charity's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Charities Act 2011 requires us also to report certain opinions and matters as described below.

Trustees' Report

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities in relation to the financial statements, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also 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.

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

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charity/industry, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and relevant regulations made or having an effect thereunder, including The Charities (Accounts and Reports) Regulations 2008. We evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) by the trustees and those responsible for, or involved in, the preparation of the financial statements, and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed included:

- Discussions with management, including consideration of known or suspected instances of non compliance with laws and regulation and fraud;
- Reviewing relevant board meeting minutes;
- Validating the appropriateness of journal entries identified based on our fraud risk criteria;
- Designing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing; and
- Challenging assumptions and judgements made by management in their significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the Foundation; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
9 April 2024

THE FIDELITY UK FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Income and Endowments from:						
Donations	2	4,203,767	688	-	4,204,455	3,403,712
Investments	3	4,343,722	4,131	-	4,347,853	2,828,460
Total		8,547,489	4,819	-	8,552,308	6,232,172
Expenditure on:						
Raising funds (investment management costs)	4	(1,869)	-	-	(1,869)	(2,346)
Charitable activities (including governance costs)	5	(13,675,386)	(150,017)	(128)	(13,825,531)	(10,940,774)
Total		(13,677,255)	(150,017)	(128)	(13,827,400)	(10,943,120)
Net (expense)/income and net movement in funds before (losses)/gains on investments		(5,129,766)	(145,198)	(128)	(5,275,092)	(4,710,948)
Net (losses)/gains on investments and cash	15	(45,612)	40,482	10,793,636	10,788,506	(1,766,982)
Net (expense)/income and net movement in funds		(5,175,378)	(104,716)	10,793,508	5,513,414	(6,477,930)
Reconciliation of funds						
Total Funds of the Foundation brought forward at 1 January		(6,558,937)	562,730	336,377,878	330,381,671	336,859,601
Transfer between funds		8,938,153	-	(8,938,153)	-	-
Total Funds of the Foundation carried forward at 31 December		(2,796,162)	458,014	338,233,233	335,895,085	330,381,671

A comparative Statement of Financial Activities can be found in note 18 to the financial statements.

THE FIDELITY UK FOUNDATION

BALANCE SHEET AS AT 31 DECEMBER 2023

	Note	Total Funds 2023 £	Total Funds 2022 £
Fixed assets			
Investments	9	338,587,685	336,492,047
Total fixed assets		338,587,685	336,492,047
Current assets			
Debtors	10	465,133	702,617
Cash at bank	11	11,182,676	4,992,700
Total current assets		11,647,809	5,695,317
Liabilities			
Creditors: amounts falling due within one year	12	(9,910,196)	(8,847,795)
Net current assets/(liabilities)		1,737,613	(3,152,478)
Total assets less current liabilities		340,325,298	333,339,569
Creditors: amounts falling due after more than one year	12	(4,430,213)	(2,957,898)
Net assets		335,895,085	330,381,671
Endowment Funds		338,233,233	336,377,878
Restricted Income Funds		458,014	562,730
Unrestricted Income Funds		(2,796,162)	(6,558,937)
Total Funds of the Foundation		335,895,085	330,381,671

A comparative Balance Sheet can be found in note 19 to the financial statements

The financial statements on pages 13 to 35 were approved by the Board of Trustees on 9 April 2024 and were signed on its behalf by

Trustee


.....

P D Goldsbrough

THE FIDELITY UK FOUNDATION

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
Cash flows from operating activities:			
Net cash used in operating activities	14	(6,567,776)	(5,764,159)
Cash flows from investing activities:			
Investment income received		4,021,844	2,686,884
Investment management charges paid		(2,490)	(3,119)
Management fee rebates		1,178,845	1,359,151
Proceeds from sale of investments*		82,616,686	102,617,684
Proceeds on redesignation of other equities		-	411
Purchase of investments*		(75,092,269)	(103,389,612)
Net cash provided by investing activities		12,722,616	3,271,399
Change in cash in the year		6,154,840	(2,492,760)
Effect of exchange rate changes on cash		35,136	7,312
Net increase/(decrease) in cash		6,189,976	(2,485,448)
Cash at beginning of the year		4,992,700	7,478,148
Cash at the end of the year		11,182,676	4,992,700

*All purchases and sales of investments took place within the Endowment Fund and the Restricted Fund.

The Fidelity UK Foundation does not maintain any debt and therefore a reconciliation of net debt has not been included as the cash movements above provide the same information.

1 Accounting policies

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value except for investments which are recorded at fair value as disclosed in note 9. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (the "Charities SORP"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011.

The Trustees are authorised to apply the capital of the Foundation's endowment to the Foundation's charitable activities. The Foundation's investments are sufficiently liquid so as to permit the redemption of amounts from the investment portfolio to allow the Foundation to make grant payments from unrestricted funds or endowment funds as they fall due. As a result, Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern and the financial statements are prepared on a going concern basis.

Planned redemptions totalling £25,500,000 were made from the investment portfolio during 2023 (£20,000,000 from the proceeds of a sale of FIL shares and £5,500,000 from the managed portfolio) (2022: £1,700,000 from the managed portfolio), comprising of transfers from the expendable endowment fund to the unrestricted fund with the balance being the portfolio income earned (recorded as unrestricted income in line with Charity Commission guidance), to enable the Foundation to make grant payments as they fall due.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

Judgements

Judgements are made in relation to the method of allocating support costs between grant-making activities and governance costs on the basis of the amount of time spent by Foundation representatives on each activity (see note 1(f) and note 8) and in relation to recognising the full amount of multi-year grants at date of approval (see notes 1(d) and notes 12 and 13 for more information).

Estimates

The most significant estimates and key assumptions that affect items in the financial statements are related to the valuation of unquoted investments (see note 1(h) and note 9 for more information). With respect to the next reporting period, the year ending 31 December 2024, the most significant areas of uncertainty that could affect the carrying value of the assets held by the Foundation are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the Trustees' Annual Report for more information). Estimates are also used in the assessment of exposure to market risk (see note 9).

1 Accounting policies (cont.)

(b) Funds structure

The Foundation funds are made up of an endowment fund, a restricted fund and an unrestricted fund. The endowment fund is an invested expendable endowment enabling the Foundation to maintain a sustainable long-term grant-making programme. The Trustees have discretion to expend some or all of the capital of the expendable endowment in circumstances which they consider would justify it, having regard to the need to maintain an appropriate balance between the interests of present and future beneficiaries. The restricted fund was established during 2019 in relation to the W L “Bill” Byrnes Global Scholarship Fund (see the reserves policy section of the Trustees’ Report for more detail). The unrestricted fund is available for use at the discretion of the Trustees in furtherance of the general activities of the Foundation.

Transfers from the endowment fund to the unrestricted fund, arising from the Trustees’ decision to apply the accumulated capital of the endowment to the Foundation’s charitable activities, are recognised when investments are sold, and the sales proceeds are redeemed from the Foundation’s investment portfolio.

(c) Income recognition

All income is recognised when the Foundation has entitlement to the income, it is probable that the income will be received, and the amount of income can be measured reliably.

Donations represent amounts received by the Foundation or where the Foundation has been notified that a donation has been irrevocably committed to be made to it during the financial year and include any associated tax credits.

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 Foundation; this is normally upon notification of the interest paid or payable by the bank.

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note 1 (f) below.

Grants are payments made to third parties in the furtherance of the charitable objectives of the Foundation. Grants are recognised in the financial statements as liabilities after they have been approved by Trustees or by delegation, the recipients have been notified of the award (formally or informally) and it is fully expected that any terms and conditions to be fulfilled by the grantee(s) will be met. In these circumstances there is a valid expectation by the recipients that they will receive the grant. Once recognised in the financial statements, grants are only written back if the related project is cancelled, if there is a material change in the scope of the project, or if the organisation/project no longer meet the terms of the grant agreement. If any such scenario arises but the Foundation still wishes to make the grant payment, the related grant is written back and disclosed instead as a contingent liability to reflect the uncertainty around the timing of the payment.

Provisions for grants are made when recipients have been notified of the award but there is uncertainty as to the timing of the grant or the amount of grant payable.

(e) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1 Accounting policies (cont.)

(f) Allocation of support costs

Governance costs are a type of support costs and comprise all costs involving the public accountability of the Foundation and its compliance with regulation and good practice. These costs include statutory audit and legal fees together with an apportionment of the support costs considered to be incurred in complying with statutory requirements, such as Trustees' meetings and the preparation of financial statements (see note 7).

Other support costs have been allocated between governance costs and grant-making activities on a 25:75 basis, reflecting an estimation of the time spent by Foundation representatives on the respective activities (as disclosed in note 1 (a)). Those support costs attributed to grant-making activities have subsequently been allocated between programme areas based on the number of grants awarded in each category. See notes 6 and 8 for further details.

(g) Management fees and rebates

Gross investment management fees are charged against investment fund prices with investment valuations being shown net of these charges. The Foundation receives rebates of investment management charges, which are received in cash and immediately reinvested into the managed portfolio. Management fee rebates are presented as realised gains on the managed portfolio and not as donated services.

(h) Fixed asset investments

Investments are a form of basic financial instrument.

Quoted investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Unquoted investments are stated at current value based on expected realisable value at the balance sheet date. The current value of FIL shares and ERS shares has been estimated to be equal to the value communicated by FIL and ERS, based on net asset values ("NAV") per share approved by the directors of FIL and ERS. The unquoted investments in FIL and ERS can only be redeemed at the discretion of FIL and ERS and only at the quarterly NAV. FIL and ERS also have the right to apply restrictions to defer the payment of significant redemption proceeds; however, the Trustees do not foresee a circumstance under which this would be enforced, and the Trustees do not believe that there are any restrictions that would materially affect the fair value of the investment. Based on these investment characteristics, NAV is determined to be the best approximation of fair value. The current values of the holdings in Fidelity Common Contractual Funds are derived from the sum of the quoted prices of the investments in the underlying funds and are provided by FIL Fund Management (Ireland) Limited in its capacity as Manager of the fund.

The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or subsectors. More detailed disclosures relating to investments and risk are included in the Trustees' Report.

(i) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (cont.)

1 Accounting policies (cont.)

(j) Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is not considered probable; or
- a present obligation following a grant offer where the amount has not been communicated in the grant offer letter and that amount cannot be estimated reliably.

(k) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

(l) Taxation

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, if these profits are applied solely for charitable purposes.

2 Donations

	2023	2022
	£	£
Corporate donations	4,200,000	3,400,000
Donations to the W L "Bill" Byrnes Global Scholarship Fund	688	500
Other donations	3,767	3,212
	<u>4,204,455</u>	<u>3,403,712</u>

3 Investment income

	2023	2022
	£	£
Listed equities	260,104	223,757
Other equities	1,742,688	1,418,641
Mutual funds	1,892,175	1,008,768
Real Estate funds	33,294	118,949
Cash funds	370,041	43,438
Mutual and cash funds (restricted fund)	4,131	2,212
Bank interest	45,420	12,695
	<u>4,347,853</u>	<u>2,828,460</u>

4 Raising funds

	2023	2022
	£	£
Investment management costs:		
Custodian fee	<u>1,869</u>	<u>2,346</u>

5 Charitable activities

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £
Grant-making activities (note 6)	13,418,097	150,017	128	13,568,242
Governance costs (note 7)	257,289	-	-	257,289
	<u>13,675,386</u>	<u>150,017</u>	<u>128</u>	<u>13,825,531</u>

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total Funds 2022 £
Grant-making activities (note 6)	10,683,434	20	1,352	10,684,806
Governance costs (note 7)	255,968	-	-	255,968
	<u>10,939,402</u>	<u>20</u>	<u>1,352</u>	<u>10,940,774</u>

6 Grant-making activities

All grants were made to institutions; no grants were made to individuals. Grant support costs have been allocated based on the number of grants awarded in each category.

Grants approved in 2023	Number of grants	Grant value £	Support costs (note 8) £	Total £
Arts, culture and heritage	23	5,266,604	232,626	5,499,230
Health and wellbeing	13	2,823,256	131,484	2,954,740
Disadvantaged children and young people	20	3,356,215	202,283	3,558,498
Environmental conservation	3	1,034,007	30,342	1,064,349
Other	7	400,000	70,799	470,799
Grants from WL "Bill" Byrnes Global Scholarship Fund	1	150,000	-	150,000
	<u>67</u>	<u>13,030,082</u>	<u>667,534</u>	<u>13,697,616</u>
Grants written back		(129,374)	-	(129,374)
Total		<u>12,900,708</u>	<u>667,534</u>	<u>13,568,242</u>

See note 20 for a full list of grants approved in year.

6 Grant-making activities (cont.)

Grants approved in 2022	Number of grants	Grant value	Support costs (note 8)	Total
		£	£	£
Arts, culture and heritage	14	2,630,195	136,850	2,767,045
Health and wellbeing	9	2,406,935	87,974	2,494,909
Disadvantaged children and young people	28	4,770,621	273,698	5,044,319
Other	7	711,500	68,425	779,925
	58	10,519,251	566,947	11,086,198
Grants written back		(231,800)	-	(231,800)
Grants returned		(169,592)	-	(169,592)
Total		10,117,859	566,947	10,684,806

7 Governance costs

	2023	2022
	£	£
Trustee expenses	51	75
Legal fees	6,106	37,292
Audit fees	28,621	29,620
Support costs (note 8)	222,511	188,981
	257,289	255,968

The nine Trustees in post during 2023 received no remuneration from the Foundation during the year (2022: the nine Trustees in post received no remuneration from the Foundation). One Trustee was reimbursed for travel and subsistence expenses totalling £51 during the year (2022: one Trustee was reimbursed for travel and subsistence expenses totalling £75).

Audit fees represent £23,851 (net of VAT) for the audit of the 2023 financial statements (2022: £24,683 (net of VAT) for the audit of the 2022 financial statements). No other services were provided by the auditors.

In accordance with SORP paragraph 6.15, the audit fee is the amount paid directly by the Foundation and the fee level the Foundation is willing to pay in the open market. This is less than the total allocation of audit fees relating to the Foundation's financial statements by PricewaterhouseCoopers LLP, who are also the auditor of other FIL related entities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (cont.)

8 Support costs

	Allocated to grant-making activities £	Allocated to governance costs £	Total 2023 £
Administration and management costs	667,534	222,511	890,045
	Allocated to grant-making activities £	Allocated to governance costs £	Total 2022 £
Administration and management costs	566,947	188,981	755,928

Support costs have been allocated between grant-making activities and governance costs on a 75:25 basis. This reflects a judgment on the amount of time spent by Foundation representatives on the respective activities. See note 17 for details of how administration and management services are provided.

9 Investments

Movement in Investments during 2023

	Listed Equities £	Mutual Funds £	Mutual Funds (Restricted Fund) £	Real Estate Funds £	Other Equities* £	Total £
Market value b/f 1 January 2023	9,076,386	187,030,667	673,418	3,592,753	136,118,823	336,492,047
Additions at cost	-	75,017,178	75,091	-	35,601	75,127,870
Disposal proceeds	(51,320)	(53,103,941)	(95,483)	(3,533,454)	(25,832,488)	(82,616,686)
Realised gains on disposals	45,738	3,566,705	(15,100)	1,222,965	25,090,307	29,910,615
Unrealised FX gain	-	-	-	-	(6,509,711)	(6,509,711)
Unrealised Investment gains/(losses)	112,967	10,249,006	48,125	(1,282,264)	(22,944,284)	(13,816,450)
Market value as at 31 December 2023	9,183,771	222,759,615	686,051	-	105,958,248	338,587,685

Movement in Investments during 2022

	Listed Equities £	Mutual Funds £	Mutual Funds (Restricted Fund) £	Real Estate Funds £	Other Equities £	Total £
Market value b/f 1 January 2022	9,354,451	195,073,330	668,877	8,161,872	125,454,069	338,712,599
Additions at cost	1,205,377	102,176,988	7,247	-	-	103,389,612
Disposal proceeds	(683,172)	(97,544,469)	-	(4,390,043)	-	(102,617,684)
Realised gains on disposals	475,816	10,630,677	-	2,044,222	-	13,150,715
Unrealised FX gain	-	-	-	-	15,580,906	15,580,906
Unrealised Investment (losses)/ gains	(1,276,086)	(23,305,859)	(2,706)	(2,223,298)	(4,916,152)	(31,724,101)
Market value as at 31 December 2022	9,076,386	187,030,667	673,418	3,592,753	136,118,823	336,492,047

*Other equities comprised Common and Preferred Shares in FIL and ERS.

9 Investments (cont.)**Recognised fair value measurements**

To provide an indication about the reliability of the inputs used in determining fair value, the Foundation has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

	Level 1	Level 2	Level 3	Total 2023
	£	£	£	£
Listed Equities	9,183,771	-	-	9,183,771
Mutual Funds	97,291,540	125,468,075	-	222,759,615
Mutual Funds (Restricted Fund)	686,051	-	-	686,051
Other Equities	-	-	105,958,248	105,958,248
Total	107,161,362	125,468,075	105,958,248	338,587,685

	Level 1	Level 2	Level 3	Total 2022
	£	£	£	£
Listed Equities	9,076,386	-	-	9,076,386
Mutual Funds	99,592,432	87,438,235	-	187,030,667
Mutual Funds (Restricted Fund)	673,418	-	-	673,418
Real Estate Funds	-	-	3,592,753	3,592,753
Other Equities	-	-	136,118,823	136,118,823
Total	109,342,236	87,438,235	139,711,576	336,492,047

There were no transfers between any of the levels for recurring fair value measurements during the year (2022: £nil). The Foundation's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Exposure to market risk

The values of the investments are subject to foreign currency risk related to amounts denominated in currencies other than GBP, mainly being the US Dollar. If the US Dollar weakened as compared to GBP by 5%, the investment values would reduce by c. £8m (2022: £9m). The values of the investments are also subject to market risk. If the equity markets experienced a 5% downturn, the investment values would reduce by c. £10m (2022: £9m).

THE FIDELITY UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (cont.)

10 Debtors

	2023	2022
	£	£
Management fee rebates	312,387	278,678
Management fee rebates (restricted fund)	-	1,358
Dividend receivable	152,746	277,989
Other debtors	-	144,592
	<u>465,133</u>	<u>702,617</u>

11 Cash at bank

	2023	2022
	£	£
Cash at bank	<u>11,182,676</u>	<u>4,992,700</u>

12 Creditors

	2023	2022
	£	£
Amounts falling due within one year:		
Grants	9,685,775	8,680,945
Accrued administration services	128,971	133,736
Other creditors	95,450	33,114
	<u>9,910,196</u>	<u>8,847,795</u>
Amounts falling due after more than one year:		
Grants	4,430,213	2,957,898
	<u>14,340,409</u>	<u>11,805,693</u>

Movement in grant commitments during the year:

	2023	2022
	£	£
Grant commitments recognised at start of year	11,638,843	9,846,536
New grant commitments charged to SoFA in year (note 6)	13,030,082	10,519,251
Grants written back during the year	(129,374)	(231,800)
Grants paid during the year	(10,420,232)	(8,507,885)
FX (loss)/gain on grants payable	(3,331)	12,741
Amount of grant commitments recognised at end of year	<u>14,115,988</u>	<u>11,638,843</u>

13 Contingent Liabilities

The Foundation had no contingent liabilities at 31 December 2023 (2022: nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (cont.)

14 Net cash flow used in operating activities

	2023	2022
	£	£
Net movement in funds (excluding endowment)	(5,280,094)	(4,719,928)
Less: investment income earned	(3,977,812)	(2,785,022)
Add: investment management costs	1,869	2,346
Less: investment gains on restricted fund	(37,150)	(2,409)
Add: investment losses on unrestricted fund	45,612	-
Decrease/(increase) in debtors	144,592	(118,959)
Increase in creditors	2,535,207	1,859,813
Net cash outflow used in operating activities	<u>(6,567,776)</u>	<u>(5,764,159)</u>

15 Net gains/(losses) on investments and cash

	2023	2022
	£	£
Unrealised investment losses	(13,816,451)	(31,723,689)
Realised gain on disposals	29,600,231	13,150,715
Realised gain from rebates	1,211,197	1,230,515
Realised loss on distribution received	(47,354)	-
Unrealised FX gains on cash	35,136	7,311
Unrealised FX (losses)/gains on investments	(6,509,711)	15,580,906
Other exchange rate gains/(losses)	315,458	(12,740)
Net gains/(losses) on investments and cash	<u>10,788,506</u>	<u>(1,766,982)</u>

16 Analysis of movement in funds

	Balance 01 January 2023	Income	Expenditure	Net losses on investments	Transfer between funds	Balance 31 December 2023
	£	£	£	£	£	£
Unrestricted funds	(6,558,937)	8,547,489	(13,677,255)	(45,612)	8,938,153	(2,796,162)
Restricted funds	562,730	4,819	(150,017)	40,482	-	458,014
Endowment funds	336,377,878	-	(128)	10,793,636	(8,938,153)	338,233,233
Total funds	<u>330,381,671</u>	<u>8,552,308</u>	<u>(13,827,400)</u>	<u>10,788,506</u>	<u>-</u>	<u>335,895,085</u>

	Balance 01 January 2022	Income	Expenditure	Net gain on investments	Transfer between funds	Balance 31 December 2022
	£	£	£	£	£	£
Unrestricted funds	(2,503,828)	6,229,460	(10,941,748)	-	657,179	(6,558,937)
Restricted funds	570,370	2,712	(20)	(10,332)	-	562,730
Endowment funds	338,793,059	-	(1,352)	(1,756,650)	(657,179)	336,377,878
Total funds	<u>336,859,601</u>	<u>6,232,172</u>	<u>(10,943,120)</u>	<u>(1,766,982)</u>	<u>-</u>	<u>330,381,671</u>

See Funds and Reserves Policy section of the Trustees' Report for more details.

17 Related party transactions

During 2023, the Foundation received a donation of £4,200,000 from FIL Holdings (UK) Limited ("FHL") (2022: £3,400,000 from FHL). FHL is a subsidiary of FIL. FIL is a company with three directors in common with the Foundation's Trustees.

The Foundation investments include £231,943,386 of funds held in an investment portfolio managed by FIL Pensions Management ("FPM") (2022: £199,699,806). FPM is a subsidiary of FIL. Within the investment portfolio, underlying funds valued at £185,552,683 (2022: £155,373,957) are managed by subsidiaries of FIL. The Foundation holds investments managed by subsidiaries of FIL valued at £569,075 (2022: £673,418) in a restricted fund for the W L "Bill" Byrnes Global Scholarship Fund. Annual management charges of £1,211,192 (2022: £1,230,183) were rebated to the Foundation during the year. Income in 2023 from these investments was £1,167,074 (2022: £944,816). At 31 December 2023, an amount of £312,388 was receivable from FPM in relation to rebated management charges (2022: £280,036) and an amount of £152,746 was receivable in relation to investment income (2022: £277,989).

Investments also include £39,758,071 of Common and Preferred Shares in FIL (2022: £62,224,504 of Common shares in FIL). Dividend income in 2023 from these investments was £35,601 (2022: £nil). During the year the Foundation sold 252,344 shares in FIL to Beacon PT Company LLC generating sale proceeds of £25,832,488. Two of the Trustees of the Foundation (the 'connected trustees') are directors of the Beacon PT Company LLC. Both of the connected trustees had a conflict of interest, so they were absent from the decision making relating to the proposed sale. The decision to dispose of the shares was taken, subject to the Charity Commission's consent, by a quorum of 5 unconflicted trustees and a Charity Commission order was then granted consenting to the sale.

Cash at bank and in hand includes £10,903,697 (2022: £4,400,656) of units in a fund of Fidelity Institutional Liquidity Fund plc, which is managed by FIL Investment Management (Luxembourg) S.A., Ireland Branch, a wholly owned subsidiary of FIL.

The Foundation does not employ any staff directly. Management, overhead and administration expenses of the Foundation are initially paid by FIL Investment Management Limited ("FIML") and subsequently recharged through an Administration Services Agreement set up with the Foundation. Costs attributed to the Foundation and recharged for the year were £796,316 including VAT (2022: £699,429). FIML is a wholly owned subsidiary of FIL. As at 31 December 2023, an amount of £195,200 was payable to FIML in relation to administration expenses (2022: £145,023).

FIML also provides administration services to Fidelity Asia Pacific Foundation, Fidelity Bermuda Foundation, and Fidelity Europe Foundation, separate charitable trusts (formerly one Foundation known as Fidelity International Foundation), which each have four Trustees in common with the Foundation. There have been no transactions between the Foundation and any of the other foundations during the year and there are no balances outstanding between the four entities.

18 Statement of Financial Activities for the year ended 31 December 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total Funds 2022 £
Income and Endowments from:					
Donations	2	3,403,212	500	-	3,403,712
Investments	3	2,826,248	2,212	-	2,828,460
Total		6,229,460	2,712	-	6,232,172
Expenditure on:					
Raising funds (investment management costs)	4	(2,346)	-	-	(2,346)
Charitable activities (including governance costs)	5	(10,939,402)	(20)	(1,352)	(10,940,774)
Total		(10,941,748)	(20)	(1,352)	(10,943,120)
Net (expense)/income and net movement in funds before gains on investments		(4,712,288)	2,692	(1,352)	(4,710,948)
Net losses on investments and cash	15	-	(10,332)	(1,756,650)	(1,766,982)
Net (expense) and net movement in funds		(4,712,288)	(7,640)	(1,758,002)	(6,477,930)
Reconciliation of funds					
Total Funds of the Foundation brought forward at 1 January		(2,503,828)	570,370	338,793,059	336,859,601
Transfer between funds		657,179	-	(657,179)	-
Total Funds of the Foundation carried forward at 31 December		(6,558,937)	562,730	336,377,878	330,381,671

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (cont.)

19 Balance Sheets as at 31 December 2023 and 31 December 2022 analysed by fund

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £
Fixed assets				
Investments	-	686,052	337,901,633	338,587,685
Total fixed assets	-	686,052	337,901,633	338,587,685
Current assets				
Debtors	152,746	-	312,387	465,133
Cash at bank and in hand	11,159,400	4,063	19,213	11,182,676
Total current assets	11,312,146	4,063	331,600	11,647,809
Liabilities				
Creditors: amounts falling due within one year	(9,826,645)	(83,551)	-	(9,910,196)
Net current assets/(liabilities)	1,485,501	(79,488)	331,600	1,737,613
Total assets less current liabilities	1,485,501	606,564	338,233,233	340,325,298
Creditors: amounts falling due after more than one year	(4,281,663)	(148,550)	-	(4,430,213)
Net (liabilities)/assets	(2,796,162)	458,014	338,233,233	335,895,085
	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total Funds 2022 £
Fixed assets				
Investments	-	673,418	335,818,629	336,492,047
Total fixed assets	-	673,418	335,818,629	336,492,047
Current assets				
Debtors	422,581	1,358	278,678	702,617
Cash at bank and in hand	4,660,222	51,907	280,571	4,992,700
Total current assets	5,082,803	53,265	559,249	5,695,317
Liabilities				
Creditors: amounts falling due within one year	(8,768,144)	(79,651)	-	(8,847,795)
Net current (liabilities)/assets	(3,685,341)	(26,386)	559,249	(3,152,478)
Total assets less current liabilities	(3,685,341)	647,032	336,377,878	333,339,569
Creditors: amounts falling due after more than one year	(2,873,596)	(84,302)	-	(2,957,898)
Net (liabilities)/assets	(6,558,937)	562,730	336,377,878	330,381,671

20 Grants awarded during 2023

Enabling disadvantaged children and young people to fulfil their potential

During the course of the year 20 grants were given to organisations active in the field of tackling disadvantage among children and young people with a total value of £3,356,215 (2022: 28 grants, total value £4,770,621).

Grantee Description of Grant	Amount of Grant
Education attainment:	
Jamie's Farm Towards new roles (Business Development Manager, HR Manager, Fundraising Manager and Systems Manager); a fixed-term PR consultant and IT systems updates to support impact measurement and finance, underpinning and enabling expansion across two new farm sites.	£499,303
IntoUniversity Building capacity to support the charity's plans to scale adding three new roles (Compliance Manager, Assistant Head of Operations and Partnerships Officer) and upgrading IT systems	£346,252
Get Further Towards new roles (fixed-term Digital Product Manager and a permanent Director of Impact) and an IT systems update to create organisational efficiencies and enhance impact measurement.	£246,100
Refugee Education UK Implementation of a CRM system.	£148,459
Future Frontiers Technology developments to support impact and data knowledge.	£109,100
Employability:	
Prince's Trust Towards phase two of the data and analytics transformation project to enable a more evidence-based and data-led approach to reaching disadvantaged young people.	£350,000
Resurgo Towards new posts of Senior Strategy Manager and a Church Partnerships Development Manager to support expansion.	£190,475
Creative Youth Network Towards new part-time roles, including Project Manager, Community and Partnerships Manager and Estates and Finance Administrator, to deliver activities to support income generation strategy.	£147,164
Engineering Development Trust Towards a new Head of Impact role and to improve data capture systems.	£146,717
Springboard UK Improving accessibility of Springboard's online careers platform.	£105,978
Environmental Vision School Growth Accelerator: Development of national schools and partnership strategy to support growth.	£20,000
Wellbeing:	
Family Rights Group Increasing the impact of the advice service through an investment in technology and evaluation capacity.	£201,084
Winston's Wish The adaptation, validation and dissemination of the Children's Attitude to Grief Scale to improve impact measurement for Winston's Wish and also for the wider child bereavement sector.	£187,808
Kids Inspire Towards a new post of Head of Marketing and Communications and a fundraising CRM.	£142,579
Family Gateway Developing and scaling the Barefoot Professionals Model, including recruitment of a Training and Volunteer Coordinator.	£140,500

20 Grants awarded during 2023 (cont.)**Enabling disadvantaged children and young people to fulfil their potential (cont.)**

Grantee Description of Grant	Amount of Grant
<i>Community-based interventions:</i>	
YMCA George Williams College Towards a new Head of Research and Evaluation and contributing to new Head of Finance post to build organisational capacity post-merger.	£145,231
WILD Young Parents Towards new post of Fundraising Lead.	£122,194
The Venture Trust Towards new post of Outdoor Practice and Development Manager to support the training and development provision and support income generation.	£67,771
EveryYouth Scoping work for 'What Works for Young People: understanding impact to transform the lives of young people experiencing homelessness.'	£20,000
Grapevine Coventry and Warwickshire Improvements to impact data.	£19,500
Total	£3,356,215

20 Grants awarded during 2023 (cont.)

Arts, culture and heritage

During the course of the year 23 grants were given to organisations active in the field of Arts, Culture and Heritage with a total value of £5,266,604 (2022: 14 grants, total value £2,630,195).

Grantee Description of Grant	Amount of Grant
Britten Pears Arts Towards refurbishment costs to upgrade and improve accessibility to the Britten Pears Building, and to recruit of new post to develop community partnerships and programme activity for the enhanced venue.	£500,000
Dulwich Picture Gallery Refurbishment and conversion of a historic cottage to support earned income generation and greater engagement opportunities for families, children and school groups.	£473,680
Quentin Blake Centre Establishment of Campaigns Team to generate fundraised and earned income	£365,295
Bluecoat Towards new roles of Marketing and Events Executive, Duty Manager, and Head Chef alongside facilities improvement costs to support Bluecoat's earned income.	£342,937
Firstsite Towards new roles of Head of Philanthropy and Evaluation and Data Coordinator to develop fundraising incomes.	£335,053
Turner Contemporary Towards new staff roles/consultancy costs, refurbishment of the building and digital system updates to improve visitor welcome experience, develop audiences and establish new income streams.	£324,750
Brighton & Hove Museums Increasing income generation capacity across visitor engagement, corporate support and retail licensing opportunities through the appointment of four new roles (Visitor Experience Manager, Head Guide, Corporate Development Manager and Licensing Manager).	£304,500
Shakespeare's Globe Trust Towards new posts of archivist and librarian to support expansion of research and collections facilities.	£251,181
Modern Art Oxford Re-design and refurbishment of the café space, within a larger capital build project.	£250,000
Towner Eastbourne Customer Relationship Management (CRM) system and recruitment of a Development Manager and an Audience Development Manager to support audience development and grow income.	£250,000
Hospital Rooms Customer Relationship Management (CRM) implementation, recruitment of Digital Marketing and Communications Manager, and development of marketing and communications strategy to grow audiences and income.	£214,900
Manchester Camerata Towards new post of Digital Content Producer and associated activity to strengthen audience engagement and grow income.	£195,000
Garden Museum Towards new post of Development Manager: Endowment and Legacies, and associated campaign activity.	£193,895
National Saturday Club Towards new post of Director of Corporate and Philanthropic Fundraising.	£150,000

20 Grants awarded during 2023 (cont.)

Arts, culture and heritage (cont.)

Grantee Description of Grant	Amount of Grant
Unlimited Customer Relationship Management (CRM) development and implementation of a new grant application portal.	£150,000
Clean Break Towards new post of Business Development Manager and income generation.	£149,867
Southbank Sinfonia Post-merger activities: new systems integration, branding and website.	£138,800
Trinity Community Arts Learn, Build, Grow: Furthering Trinity Community Arts' reach, impact and resilience.	£131,633
The Lightbox Towards new post of Fundraising and Data Co-ordinator, and development of CRM and digital offer to develop audiences and increase fundraising.	£130,000
Cardboard Citizens Towards new post of Supporter Engagement Officer and associated activities to grow fundraised income.	£121,500
Story Museum Towards new posts of Business Development and Venue Hires Manager, a Marketing Assistant and associated business development activity.	£120,688
Brighton Dome and Festival Recruitment of a Singing Strategy Manager to expand the singing programme across.	£92,925
Capital Theatres Development of new website to generate increased income and strengthen public engagement.	£80,000
Total	£5,266,604

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (cont.)

20 Grants awarded during 2023 (cont.)

Health and wellbeing

During the course of the year 13 grants were given to organisations active in the field of Health and wellbeing with a total value of £2,823,256 (2022: 9 grants, total value £2,406,935).

Grantee Description of Grant	Amount of Grant
FareShare Towards three new posts (PMO Manager, Business Analyst and Project Manager) to establish a Project Management Office to lead a three-year technology transformation programme.	£420,288
MS Society Towards the data transformation project to organise, streamline and connect data across all of the charity's services, platforms, systems, programmes and projects.	£350,000
SafeLives Towards business development support to sustain and develop SafeLives' training and services provision.	£298,850
Shared Lives Plus Towards new posts of Senior Data Analyst and a Senior Researcher to expand reach and impact.	£276,110
Kinship Implementation of a new telephony system and a new financial management system to support delivery at scale.	£251,658
James' Place Towards new post of Head of HR and Operations, and clinical IT system updates to support growth.	£248,700
Carers Trust Towards the completion and adoption phase of the Virtual Carers Centre, a digital support and resource platform for unpaid carers across the UK.	£240,566
FoodCycle Towards the finance function, including recruitment of a new Head of Finance and upgrade of the donations platform.	£192,219
Horatio's Garden Towards new post of Operations Director to support expansion and strengthen the senior leadership team.	£170,100
Shift.ms Towards a Senior Product Manager to lead on key digital projects.	£146,146
The Cares Family* Towards new post of Head of Development (New Business) role and IT system updates.	£129,374
Family Links Towards a new CRM platform so all data can be held on one central platform.	£81,245
Mental Health Innovations Consultancy support.	£18,000
Total	£2,823,256
*This grant offer was subsequently withdrawn as the organisation ceased operating in October 2023	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (cont.)

20 Grants awarded during 2023 (cont.)

Environmental conservation

During the course of the year 3 grants were given to organisations active in the field of Environmental conservation with a total value of £1,034,007 (2022: nil).

Grantee Description of Grant	Amount of Grant
Royal Society of Wildlife Trusts Digital and data transformation project to support the RSWT, and its federated network, to become data and evidence led, and the development of a new volunteer management system.	£500,000
The Rivers Trust Towards new posts in the Regional Development team to strengthen impact and collaboration across the organisation's membership.	£384,472
Green Light Trust Development of a new web interface and appointment of a new Data Insight Manager.	£149,535
Total	£1,034,007

Other

During the course of the year 2 grants were given to Cross Sector projects with a total value of £300,000 (2022: 3 grants, total value £641,500) and 5 grants were given to organisations at the request of the unaffiliated Trustees with a total value of £100,000 (2022: 4 grants totalling £70,000).

Grantee	Amount of Grant
Cross Sector:	
Kent Community Foundation Grant-making to charities in Kent.	£150,000
Community Foundation for Surrey Grant-making to charities in Surrey.	£150,000
Trustee Grants:	
#Willdoes Youth worker to run a mobile youth bus, providing services to young people across Dorset.	£20,000
Friends of Strand on the Green Schools Toilet refurbishment, quiet space and outdoor play area enhancements.	£20,000
London Academy of Music & Dramatic Art Mental Health and Wellbeing Fund.	£20,000
The Theodora Children's Charity Core costs.	£20,000
Friends of Strand on the Green Schools Green space redevelopment.	£20,000
Total	£400,000

20 Grants awarded during 2023 (cont.)**Grants from the W L “Bill” Byrnes Global Scholarship Fund**

During the course of the year 1 grant of £150,000 was approved from the W L “Bill” Byrnes Global Scholarship Fund (2022: nil).

Grantee	Amount of Grant
Imperial College of Science, Technology and Medicine Scholarships for students studying for an MSc in Investment and Wealth Management.	£150,000
Total	£150,000

THE FIDELITY UK FOUNDATION

England & Wales - Charity number 327899

Accounts

THE FIDELITY UK FOUNDATION

(Registered Charity Number: 327899)

**Annual Report and Financial Statements
for the year ended 31 December 2022**

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees submit their annual report and audited financial statements for The Fidelity UK Foundation ("the Foundation") for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Trust Deed, the Charities Act 2011, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (the "Charities SORP").

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

Objective and activities for the public benefit

The objective of the Foundation is to make grants to organisations for charitable purposes, as recognised by the laws of England and Wales. The objective is consistent year to year.

The Foundation's strategy for achieving this objective is to build an endowment out of which sustainable, long-term grant-making programmes can be established. The Trustees set annual grant budgets designed to balance current grant-making programmes and the long-term future of the Foundation. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and in planning future activities and setting the grant-making policy for the year.

Grant-making guidelines

The Foundation has established its grant-making guidelines to achieve its objective for the public benefit. Grant-making guidelines are reviewed annually to ensure that they continue to reflect the Foundation's objective and thereby advance public benefit.

The Foundation directs the majority of its grants to UK registered charities operating in the UK, primarily in the fields of:

- Enabling disadvantaged children and young people to fulfil their potential
- Health and wellbeing
- Arts, culture and heritage

The Foundation aims to strengthen the impact, efficiency and/or sustainability of the charitable organisations that it supports. As such, the Foundation has a focus on supporting capacity-building, by which the Foundation means the capacity, knowledge and resources that charities need to be effective.

Each grant application is considered on an individual basis against the Foundation's grant-making guidelines. Foundation representatives (and from time to time, Trustees) meet with applicants to establish a fuller understanding of an organisation and its needs.

In addition to reviewing an applicant's fit with the Foundation's grant-making guidelines, other factors considered as part of the due diligence process include: the organisation's impact and its role relative to other organisations in the field; strategic plans; leadership and governance; operations; financial health; and the degree to which the project for which funding is requested will strengthen an organisation's impact, efficiency and/or sustainability.

Grantees are requested to report to the Foundation on progress towards achieving the goals of the project supported as outlined in their application to the Foundation, on a periodic basis. Foundation representatives also have periodic contact with grantees so we can learn from grants made.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (cont.)

Grant-making guidelines (cont.)

The Foundation's focus and approach to grant-making is outlined on the website www.fidelityukfoundation.com.

The Foundation can make grants outside of the categories and grant-making guidelines described above. Grants made from the W L "Bill" Byrnes Global Scholarship Fund are made in line with that fund's purpose (see Funds and reserves policy section for more details).

Achievements and performance in 2022

During 2022, the Trustees met their objective of awarding grants to charitable organisations with a view to strengthening their impact, efficiency and/or sustainability, thereby delivering public benefit. In 2022, 58 grants were awarded totalling £10,519,251.

In 2022, the Foundation established a clear strategic framework for its programme focused on health and wellbeing. This programme focuses on mid-sized organisations that: provide services and support in areas of unmet need (outside of statutory provision); support and engage people to enhance their health and wellbeing (including self-management, prevention and navigating the health system); and that deliver activities supporting families and unpaid carers. It was agreed that the Foundation would not focus on organisations whose focus is health research.

In 2022, the Foundation also agreed to develop a new programme focused on environmental conservation.

In terms of the Foundation's operations, a new website was launched in 2022, a discovery phase for a new grants management system was concluded, and a new financial system was implemented.

Grants were awarded in 2022 as follows:

Area	Number of grants awarded	Total amount awarded	% of total by amount
Disadvantaged children and young people	28	£4,770,621	45%
Arts, culture and heritage	14	£2,630,195	25%
Health and wellbeing	9	£2,406,935	23%
Other	7	£711,500	7%
Total	58	£10,519,251	100%

Further details of the grants awarded are included in note 6. A full list of all grants awarded in 2022 is included in note 20 to the financial statements.

Grants were awarded in 2021 as follows:

Area	Number of grants awarded	Total amount awarded	% of total by amount
Disadvantaged children and young people	41	£6,368,138	52%
Health and wellbeing	14	£3,376,489	27%
Arts, culture and heritage	14	£1,809,417	15%
Other	2	£562,400	5%
Grant(s) from the W L "Bill Byrnes Global Scholarship Fund	1	£129,107	1%
Total	72	£12,245,551	100%

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (cont.)

Financial review

The Foundation is committed to building and maintaining an invested fund for the long-term benefit of the Foundation and its beneficiaries and remains in a sound financial position. The net assets of the Foundation decreased by 2% from £336,859,601 at the start of the year to £330,381,671 at 31 December 2022.

Donations received were £3,403,712 (2021: £4,015,183) and the Foundation approved grants totalling £10,519,251 (2021: £12,245,551). In 2021, an amount of £74,664 relating to a grant approved in a previous year was written back and disclosed as a contingent liability. During 2022, it was confirmed that this payment will not be made and is no longer disclosed as a contingent liability. In addition, an unspent amount of £25,000 relating to the same grant was returned by the grantee and credited to the statement of activities. In December 2022, the Foundation was notified of an unspent amount of £144,592 in relation to another grant approved in a previous year. This amount has been written back, included as a debtor at 31 December 2022 and was returned after the year end. Two further payments relating to this grant totalling £231,800 were also written back as they are no longer required due to changes in the scope of the related project (2021: 1 amount of £2,098 written back and 1 grant approved in a previous year increased by £54,544 resulting in net additional grant expenditure of £52,446).

Investment policy and performance

The Foundation's assets have continued to be managed in accordance with the provisions of the Trust Deed, the Trustee Act 2000, the Charity Commission's guidance and the Foundation's Investment Policy, which was revised in July 2021 and sets out the long-term investment objective, risk profile, and the Foundation's approach to Responsible Investing.

The financial objective of the managed portfolio is to achieve a real return of 4% per annum (calculated as 4% + RPI) over the long term. The portfolio is diversified across a broad range of asset classes, industries, geographies and investment strategies. The Foundation supports the view that the effective management of environmental, social and governance ("ESG") issues by companies it invests in is an important component in achieving good financial performance and long-term growth. As such, the Foundation actively encourages its investment manager(s) to integrate ESG issues into investment analysis and decision-making processes, including voting and engagement.

The Foundation holds common shares in FIL and common and preferred shares in ERS.

The Finance & Investment Subcommittee is authorised by the Board to monitor, review and manage all aspects of the Investment Policy and strategy and to provide oversight of the operation of the investments, ensuring that these arrangements are aligned with the Foundation's Investment Policy

At 31 December 2022, the total value of investments was £336,492,047 (2021: £338,712,599). The managed portfolio was valued at £199,699,806 (2021: £212,589,652), the FIL shares were valued at £62,224,504 (2021: £52,989,134), the Eight Roads Shareholdings Limited ("ERS") shares were valued at £73,894,319 (2021: £72,464,936) and investments held in the name of the W L "Bill" Byrnes Global Scholarship Fund were valued at £673,418 (2021: £668,877).

For the year to 31 December 2022 the investment portfolio (excluding FIL and ERS shares) delivered a return of -4.9% compared with the benchmark return of -4.1% (2021: return of 11.4% compared with the benchmark return of 10.0%). The purchase and sale activity within the managed portfolio increased in 2022 as compared to the previous year as a result of changes to strategic asset allocations and in response to the volatile market conditions. The FIL shares delivered a return of 17.4% and the ERS shares delivered a return of 2.0% (excluding dividends), in sterling, over the same year (2021: 41.4% and 33.3% respectively).

Trustees will continue to closely monitor performance during 2023.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (cont.)

Risk management

As outlined in the Foundation's risk register, Trustees have identified the following risks: governance/compliance risk; operational risk; financial risk; grant-making risk; and reputational risk.

Governance/compliance risk - relates to the Foundation meeting regulatory, accounting and legal compliance requirements.

The Foundation actively manages these risks through robust internal controls, effective application of relevant policies, engagement with specialist advisers for legal requirements and regular reporting to Trustees.

Operational risk - relates to the Foundation being unable to deliver its work.

The Foundation actively manages these risks through robust internal controls, an Administrative Services Agreement with Fidelity International and a business continuity plan.

Financial risk - relates to the Foundation meeting its financial commitments and long-term objectives, financial reporting and record keeping, liquidity, market and credit risk.

- Liquidity risk is the risk that the Foundation does not have sufficient available resources to enable it to meet its obligations as they fall due or can only secure them at excessive cost.
- Market risk is the risk of adverse financial impact due to changes in the fair values of the Foundation's investments as a result of fluctuations in foreign currency exchange rates, interest rates, fund and equity prices. Foreign exchange rate risks exist related to the investments and cash denominated in foreign currencies. Interest rate risk exists related to cash and investments in liquidity funds that are subject to daily interest rate variances. Fund and equity price risk exists due to market driven fluctuations in the investment portfolio values.
- Credit risk is the risk of a counterparty failing to meet its financial obligations to the Foundation. Investments and cash are only held with financial institutions of an appropriate standing and which have been approved by the Trustees.

The Foundation actively manages these risks, with oversight from the Finance & Investment Subcommittee, through robust internal controls, effective application of relevant policies, regular monitoring and reporting of the financial performance of investments, and regular cash flow and liquidity forecasting.

Grant-making risk - relates to the Foundation's ability to achieve its grant-making objectives.

The Foundation actively manages this risk through annual review of grant-making guidelines, clear approach to grant-making, due diligence and grants administration, clear decision-making processes and monitoring of grantee performance against project goals.

Reputational risk - relates to the Foundation's ability to respond effectively to any incident that could affect the Foundation's reputation.

The Foundation actively manages this risk through application of all Foundation policies, and also through clear terms and conditions in grant agreements, and the monitoring of the application of grants made through reports received from grantees.

A detailed risk register, which includes details of the mitigating actions, is reviewed annually by the Trustees. The Trustees confirm that they are satisfied with the procedures which have been established to regularly monitor these risks and with the action taken to mitigate exposure to them.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (cont.)

Funds and reserves policy

The Trustees wish to build a substantial Foundation for long-term charitable purposes. As the level and frequency of future donations is uncertain, the Trustees have established an expendable endowment fund to provide sufficient future income and growth to ensure the Foundation's long-term sustainability and to meet its overall charitable objectives. The Trustees have targeted an expected level of overall growth (capital and income) from the invested funds and expect to be able to spend around 5% of the average endowment fund over the previous three years for grant-making, administration and other costs in the subsequent year, while preserving the real value of the endowment. For 2022, this resulted in a grant-making budget of up to £13,000,000 (2021: £12,500,000).

The endowment fund represents the managed portfolio and shares in FIL Ltd and ERS. When donations are received, these are either invested into the managed portfolio or allocated to unrestricted funds as required. The Trustees have discretion to transfer some or all of the capital of the endowment to the unrestricted fund in circumstances which they consider would justify it, having regard to the need to maintain an appropriate balance between the interests of present and future beneficiaries. The value of the endowment fund at 31 December 2022 was £336,377,878 (31 December 2021: £338,793,058).

The unrestricted fund provides the working capital of the Foundation for grant-making, administration and other costs. The level of funds and estimates of likely future expenditure are monitored and reviewed on a regular basis and transfers are made from the endowment, if necessary.

The Foundation's managed portfolio is sufficiently liquid to enable the redemption of amounts to be transferred to the unrestricted fund allowing the Foundation to meet payment commitments as they fall due. The Trustees have concluded that, based on current conditions and considering their ability to transfer from the expendable endowment, the level of unrestricted funds should generally not exceed the value of one year's forecast expenditure.

A total amount of £1,700,000 was redeemed from the managed portfolio during 2022 (2021: £6,200,000) and £657,179 transferred to the unrestricted fund (2021: £5,344,781). The value of unrestricted funds at 31 December 2022 was a deficit of £6,558,937 (2021: deficit of £2,503,828). Any deficit in the unrestricted funds can be funded by redemptions from the managed portfolio and a transfer between funds at the Trustees' discretion.

The restricted fund represents the W L "Bill" Byrnes Global Scholarship Fund, which was established in 2019 as a restricted fund within the Foundation to honour one of the founders of Fidelity International, Bill Byrnes, by receiving, managing and investing donations received in his memory and using these funds to provide scholarships to talented business students from around the world via specific business schools. The value of the restricted fund at 31 December 2022 was £562,730 (31 December 2021: £570,370).

Each month, the Foundation prepares rolling cash flow forecasts of its financial position looking fifteen months ahead. Cash flow forecasts for the twelve months from the date of approval of the financial statements have also been considered to reflect a 'worst case scenario'. This assumes: zero investment or donation income; that current grant-making budgets are sustained (based on an annual budget calculated as referenced above); and, together with anticipated administration and other expenses and payments of existing grant commitments, all expenditure is funded through transfers from the endowment into the unrestricted funds. Based on these forecasts, the Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern and the financial statements are prepared on this basis.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (cont.)

Plans for future periods

The Trustees are committed to continuing to make grants in accordance with the stated objective of the Foundation and to source grant proposals matching the Foundation's grant criteria. The Trustees aim to set a grant budget at a level that will allow the Foundation to meet its objective, while maintaining a sustainable level of assets for future periods.

In the forthcoming period, the Trustees anticipate the overall value of grants awarded to increase. While continuing to make grants in fields as outlined in the grant-making guidelines, the Foundation will also continue to review the strategic frameworks for its programmes as it learns from grants made and adapts to the changing context. In 2023, the Foundation will also focus on developing a strategic framework for a new programme focused on environmental conservation. The Foundation will also continue to develop its approach to impact and learning and will embed a new grants management system to improve the user experience and create efficiencies.

Structure, governance and management

The Foundation is a registered charity, number 327899, which is constituted as a charitable trust under a Trust Deed dated 13 July 1988. This Trust Deed authorises Trustees to make decisions regarding the allocation of funds.

Trustees meet three times a year, the Finance & Investment Subcommittee meets twice a year, and the Independent Trustees Subcommittee meets once per year. Various policies and guidelines are in place and are reviewed periodically to ensure sufficient governance arrangements and effective monitoring. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 7 and 17 to the financial statements. From time to time a grant may be awarded to an organisation with which a Trustee is involved in some capacity. Trustees are required to disclose all relevant interests, which are then recorded in a conflicts of interest register, and in accordance with the Foundation's policy withdraw from decisions where any conflict of interest arises.

Any new Trustees are appointed by the settlor, FIL Investment Services (UK) Limited, based on their ability to add value to the Foundation. Newly appointed Trustees are given an induction, during which they are briefed on investments, the grant-making process and the powers and responsibilities of the Trustee board. A brief history of the Trust, copies of board and sub-committee minutes, annual reports and financial statements, and a copy of the governing Trust Deed are made available to the incoming Trustee.

The Trustees of the Foundation have absolute discretion in the application of any income and capital of the Foundation for any purpose recognised as charitable by the law of England and Wales. Decisions regarding the application of funds and investment strategy are made at meetings of the board of Trustees.

Grant proposals are presented to Trustees at board meetings and between meetings via email. Decisions are arrived at on the basis of mutual agreement among Trustees. Some grants payable are subject to certain conditions being met by the recipients as outlined in grant offer packs.

The Trustees have established policies and procedures for delegated authority under which a guide budget is made available for small grants which are proposed by Foundation representatives and subject to approval by either one or two Trustees (dependent on grant size). Small grants, amounting in aggregate to no more than 10% of the small grant guide budget, are able to be made at the discretion of the Foundation's Chief Executive.

The five Trustees that are unaffiliated to FIL Limited (see note below) also have a small budget for allocation to charitable organisations; these donations fall within the overall grant-making strategy of the Foundation and are not normally made to charities in which the 'unaffiliated' Trustee is involved in a formal capacity and in such cases, proposals are considered by the board.

The Foundation has not carried out any fundraising activities during the year. The Foundation received an unsolicited donation of £500 during the year to the W L "Bill" Byrnes Global Scholarship Fund.

Day to day management of the Foundation's operations is carried out by FIL Investment Management Limited ("FIML"), as outlined in an Administrative Services Agreement. FIML has been one of the principal donors to the Foundation. Further details are provided in note 17 to the financial statements.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (cont.)

Reference and administrative information

Trustees

The Trustees of the Foundation who were in office during the year and up to the date of signing the financial statements were:

A J Bolton
S R Gandhi
P D Goldsbrough
A P Johnson
E B Johnson
E C Johnson IV (Chair)
J W Owen
M A Rogers
S E Walden

All of the Trustees are associated with the principal donors to the Foundation, with the exception of the five unaffiliated Trustees: S R Gandhi, P D Goldsbrough, J W Owen, M A Rogers and S E Walden.

Registered Office:	Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP
Administrators:	FIL Investment Management Limited, 4 Cannon Street, London EC4M 5AB (Foundations Chief Executive: Lenka Setkova)
Investment Advisors:	FIL Pensions Management, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP
Bankers:	Barclays Bank PLC, 73-75 Calverley Road, Tunbridge Wells, Kent TN1 2UZ
Solicitors:	Bates, Wells and Braithwaite London LLP, 10 Queen Street Place, London EC4R 1BE
Independent Auditors:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors, 1 Embankment Place, London WC2N 6RH
Registered Charity Number:	327899

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (cont.)

Statement of Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & 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 Foundation and of the incoming resources and application of resources of the Foundation for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards comprising FRS 102, 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 Foundation 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 Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors

The Trustees have re-appointed the auditors, PricewaterhouseCoopers LLP, for the year to 31 December 2023.

Approved by the Trustees on 29 March 2023 and signed on their behalf by:



Trustee: P D Goldsbrough
Date: 29 March 2023

Independent auditors' report to the Trustees of The Fidelity UK Foundation

Report on the audit of the financial statements

Opinion

In our opinion, The Fidelity UK Foundation's financial statements ("the financial statements"):

- give a true and fair view of the state of the Foundation's affairs as at 31 December 2022 and of its incoming resources and application of resources, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2022; the statement of financial activities for the year then ended, cash flow statement for the year then ended; and the notes to the financial statements which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 Foundation's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Foundation's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Charities Act 2011 requires us also to report certain opinions and matters as described below.

Trustees' Report

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities in relation to the financial statements, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also 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.

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

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Foundation and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and relevant regulations made or having an effect thereunder including the Charities (Accounts and Reports) Regulations 2008 and the Charities Act 2022, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered these laws and regulations as having a direct impact on the financial statements. We evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) by the trustees and those responsible for, or involved in, the preparation of the financial statements and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed included:

- Evaluating management's controls designed to prevent and detect irregularities.
- Making enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations.
- Challenging assumptions and judgements made by management in significant accounting estimates and judgements.
- Testing unusual or unexpected journal entries, particularly those impacting revenue.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the Foundation's trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the Foundation; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 March 2023

THE FIDELITY UK FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income and Endowments from:						
Donations	2	3,403,212	500	-	3,403,712	4,015,183
Investments	3	2,826,248	2,212	-	2,828,460	2,627,784
Total		6,229,460	2,712	-	6,232,172	6,642,967
Expenditure on:						
Raising funds (investment management costs)	4	(2,346)	-	-	(2,346)	(1,214)
Charitable activities (including governance costs)	5	(10,939,402)	(20)	(1,352)	(10,940,774)	(12,951,011)
Total		(10,941,748)	(20)	(1,352)	(10,943,120)	(12,952,225)
Net (expense)/income and net movement in funds before (losses)/gains on investments		(4,712,288)	2,692	(1,352)	(4,710,948)	(6,309,258)
Net (losses)/gains on investments and cash	15	-	(10,332)	(1,756,650)	(1,766,982)	55,139,976
Net (expense)/income and net movement in funds		(4,712,288)	(7,640)	(1,758,002)	(6,477,930)	48,830,718
Reconciliation of funds						
Total Funds of the Foundation brought forward at 1 January		(2,503,828)	570,370	338,793,059	336,859,601	288,028,883
Transfer between funds		657,179	-	(657,179)	-	-
Total Funds of the Foundation carried forward at 31 December		(6,558,937)	562,730	336,377,878	330,381,671	336,859,601

A comparative Statement of Financial Activities can be found in note 18 to the financial statements.

THE FIDELITY UK FOUNDATION

BALANCE SHEET AS AT 31 DECEMBER 2022

	Note	Total Funds 2022 £	Total Funds 2021 £
Fixed assets			
Investments	9	336,492,047	338,712,599
Total fixed assets		336,492,047	338,712,599
Current assets			
Debtors	10	702,617	614,156
Cash at bank	11	4,992,700	7,478,148
Total current assets		5,695,317	8,092,304
Liabilities			
Creditors: amounts falling due within one year	12	(8,847,795)	(7,972,027)
Net current (liabilities)/assets		(3,152,478)	120,277
Total assets less current liabilities		333,339,569	338,832,876
Creditors: amounts falling due after more than one year	12	(2,957,898)	(1,973,275)
Net assets		330,381,671	336,859,601
Endowment Funds		336,377,878	338,793,059
Restricted Income Funds		562,730	570,370
Unrestricted Income Funds		(6,558,937)	(2,503,828)
Total Funds of the Foundation		330,381,671	336,859,601

A comparative Balance Sheet can be found in note 19 to the financial statements

The financial statements on pages 13 to 32 were approved by the Board of Trustees on 29 March 2023 and were signed on its behalf by

Trustee



.....

P D Goldsbrough

THE FIDELITY UK FOUNDATION

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Cash flows from operating activities:			
Net cash used in operating activities	14	(5,764,159)	(8,132,122)
Cash flows from investing activities:			
Investment income received		2,686,884	2,605,498
Investment management charges paid		(3,119)	(908)
Management fee rebates		1,359,151	1,568,350
Proceeds from sale of investments*		102,617,684	28,378,481
Proceeds on redesignation of other equities		411	-
Purchase of investments*		(103,389,612)	(25,997,274)
Net cash provided by investing activities		3,271,399	6,554,147
Change in cash in the year		(2,492,760)	(1,577,975)
Effect of exchange rate changes on cash		7,312	6,563
Net decrease in cash		(2,485,448)	(1,571,412)
Cash at beginning of the year		7,478,148	9,049,560
Cash at the end of the year		4,992,700	7,478,148

*All purchases and sales of investments took place within the Endowment Fund and the Restricted Fund.

The Fidelity UK Foundation does not maintain any debt and therefore a reconciliation of net debt has not been included as the cash movements above provide the same information.

1 Accounting policies

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value except for investments which are recorded at fair value as disclosed in note 9. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (the "Charities SORP"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011.

The Trustees are authorised to apply the capital of the Foundation's endowment to the Foundation's charitable activities. The Foundation's investments are sufficiently liquid so as to permit the redemption of amounts from the investment portfolio to allow the Foundation to make grant payments from unrestricted funds or endowment funds as they fall due. As a result, Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern and the financial statements are prepared on a going concern basis.

Planned redemptions totalling £1,700,000 were made from the investment portfolio during 2022 (2021: £6,200,000), comprising of transfers from the expendable endowment fund to the unrestricted fund with the balance being the portfolio income earned (recorded as unrestricted income in line with Charity Commission guidance), to enable the Foundation to make grant payments as they fall due.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

Judgements

Judgements are made in relation to the method of allocating support costs between grant-making activities and governance costs on the basis of the amount of time spent by Foundation representatives on each activity (see note 1(f) and note 8), in relation to recognising the full amount of multi-year grants at date of approval and in writing back cancelled grants (see notes 1(d) and notes 12 and 13 for more information).

Estimates

The most significant estimates and key assumptions that affect items in the financial statements are related to the valuation of unquoted investments (see note 1(h) and note 9 for more information). With respect to the next reporting period, the year ending 31 December 2023, the most significant areas of uncertainty that could affect the carrying value of the assets held by the Foundation are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the Trustees' Annual Report for more information). Estimates are also used in the assessment of exposure to market risk (see note 9).

1 Accounting policies (cont.)

(b) Funds structure

The Foundation funds are made up of an endowment fund, a restricted fund and an unrestricted fund. The endowment fund is an invested expendable endowment enabling the Foundation to maintain a sustainable long-term grant-making programme. The Trustees have discretion to expend some or all of the capital of the expendable endowment in circumstances which they consider would justify it, having regard to the need to maintain an appropriate balance between the interests of present and future beneficiaries. The restricted fund was established during 2019 in relation to the W L “Bill” Byrnes Global Scholarship Fund (see the reserves policy section of the Trustees’ Report for more detail). The unrestricted fund is available for use at the discretion of the Trustees in furtherance of the general activities of the Foundation.

Transfers from the endowment fund to the unrestricted fund, arising from the Trustees’ decision to apply the accumulated capital of the endowment to the Foundation’s charitable activities, are recognised when investments are sold, and the sales proceeds are redeemed from the Foundation’s investment portfolio.

(c) Income recognition

All income is recognised when the Foundation has entitlement to the income, it is probable that the income will be received, and the amount of income can be measured reliably.

Donations represent amounts received by the Foundation or where the Foundation has been notified that a donation has been irrevocably committed to be made to it during the financial year and include any associated tax credits.

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 Foundation; this is normally upon notification of the interest paid or payable by the bank.

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note 1 (f) below.

Grants are payments made to third parties in the furtherance of the charitable objectives of the Foundation. Grants are recognised in the financial statements as liabilities after they have been approved by Trustees or by delegation, the recipients have been notified of the award (formally or informally) and it is fully expected that any terms and conditions to be fulfilled by the grantee(s) will be met. In these circumstances there is a valid expectation by the recipients that they will receive the grant. Once recognised in the financial statements, grants are only written back if the related project is cancelled or if there is a material change in the scope of the project meaning that it no longer meets the terms of the grant agreement. If the scope or timing of a project significantly changes but the Trustees still want to fund it, the related grant is written back and disclosed instead as a contingent liability to reflect the uncertainty around the timing of the payment.

Provisions for grants are made when recipients have been notified of the award but there is uncertainty as to the timing of the grant or the amount of grant payable.

(e) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1 Accounting policies (cont.)

(f) Allocation of support costs

Governance costs are a type of support costs and comprise all costs involving the public accountability of the Foundation and its compliance with regulation and good practice. These costs include statutory audit and legal fees together with an apportionment of the support costs considered to be incurred in complying with statutory requirements, such as Trustees' meetings and the preparation of financial statements (see note 7).

Other support costs have been allocated between governance costs and grant-making activities on a 25:75 basis, reflecting an estimation of the time spent by Foundation representatives on the respective activities (as disclosed in note 1 (a)). Those support costs attributed to grant-making activities have subsequently been allocated between programme areas based on the number of grants awarded in each category. See notes 6 and 8 for further details.

(g) Management fees and rebates

Gross investment management fees are charged against investment fund prices with investment valuations being shown net of these charges. The Foundation receives rebates of all of the investment management charges, which are received in cash and immediately reinvested into the managed portfolio. Management fee rebates are presented as realised gains on the managed portfolio and not as donated services.

(h) Fixed asset investments

Investments are a form of basic financial instrument.

Quoted investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Unquoted investments are stated at current value based on expected realisable value at the balance sheet date. The current value of FIL shares and ERS shares has been estimated to be equal to the value communicated by FIL and ERS, based on net asset values ("NAV") per share approved by the directors of FIL and ERS. The unquoted investments in FIL and ERS can only be redeemed at the discretion of FIL and ERS and only at the quarterly NAV. FIL and ERS also have the right to apply restrictions to defer the payment of significant redemption proceeds; however, the Trustees do not foresee a circumstance under which this would be enforced, and the Trustees do not believe that there are any restrictions that would materially affect the fair value of the investment. Based on these investment characteristics, NAV is determined to be the best approximation of fair value. The current values of the holdings in Fidelity UK Real Estate Fund have been based on the NAV of units held and are provided by FIL Investment Services (UK) Limited in its capacity as Authorised Corporate Director of the fund. The current values of the holdings in Fidelity Common Contractual Funds are derived from the sum of the quoted prices of the investments in the underlying funds and are provided by FIL Fund Management (Ireland) Limited in its capacity as Manager of the fund.

The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or subsectors. More detailed disclosures relating to investments and risk are included in the Trustees' Report.

(i) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1 Accounting policies (cont.)**(j) Contingent liabilities**

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is not considered probable; or
- a present obligation following a grant offer where the amount has not been communicated in the grant offer letter and that amount cannot be estimated reliably.

(k) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

(l) Taxation

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, if these profits are applied solely for charitable purposes.

2 Donations

	2022	2021
	£	£
Corporate donations	3,400,000	4,000,000
Donations to the W L "Bill" Byrnes Global Scholarship Fund	500	500
Other donations	3,212	14,683
	<u>3,403,712</u>	<u>4,015,183</u>

3 Investment income

	2022	2021
	£	£
Listed equities	223,757	160,228
Other equities	1,418,641	1,748,994
Mutual funds	1,008,768	592,266
Real Estate funds	118,949	123,274
Cash funds	43,438	673
Mutual and cash funds (restricted fund)	2,212	2,349
Bank interest	12,695	-
	<u>2,828,460</u>	<u>2,627,784</u>

4 Raising funds

	2022	2021
	£	£
Investment management costs:		
Custodian fee	<u>2,346</u>	<u>1,214</u>

5 Charitable activities

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total Funds 2022 £
Grant-making activities (note 6)	10,683,434	20	1,352	10,684,806
Governance costs (note 7)	255,968	-	-	255,968
	<u>10,939,402</u>	<u>20</u>	<u>1,352</u>	<u>10,940,774</u>

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total Funds 2021 £
Grant-making activities (note 6)	12,613,947	129,159	36	12,743,142
Governance costs (note 7)	207,869	-	-	207,869
	<u>12,821,816</u>	<u>129,159</u>	<u>36</u>	<u>12,951,011</u>

6 Grant-making activities

All grants were made to institutions; no grants were made to individuals. Grant support costs have been allocated based on the number of grants awarded in each category.

Grants approved in 2022	Number of grants	Grant value £	Support costs (note 8) £	Total £
Arts, culture and heritage	14	2,630,195	136,850	2,767,045
Health and wellbeing	9	2,406,935	87,974	2,494,909
Disadvantaged children and young people	28	4,770,621	273,698	5,044,319
Other	7	711,500	68,425	779,925
	<u>58</u>	<u>10,519,251</u>	<u>566,947</u>	<u>11,086,198</u>
Grants written back		(231,800)	-	(231,800)
Grants returned		(169,592)	-	(169,592)
Total		<u>10,117,859</u>	<u>566,947</u>	<u>10,684,806</u>

See note 20 for a full list of grants approved in year.

6 Grant-making activities (cont.)

Grants approved in 2021	Number of grants	Grant value	Support costs (note 8)	Total
		£	£	£
Arts, culture and heritage	14	1,809,417	102,497	1,911,914
Health and wellbeing	14	3,376,489	102,497	3,478,986
Disadvantaged children and young people	41	6,368,138	300,172	6,668,310
Other	2	562,400	14,643	577,043
	71	12,116,444	519,809	12,636,253
Grants from W L "Bill" Byrnes Global Scholarship Fund	1	129,107	-	129,107
	72	12,245,551	519,809	12,765,360
Grants written back		(74,664)	-	(74,664)
Grants cancelled or amended		52,446	-	52,446
Total		12,223,333	519,809	12,743,142

7 Governance costs

	2022	2021
	£	£
Trustee expenses	75	-
Legal fees	37,292	9,532
Audit fees	29,620	25,068
Support costs (note 8)	188,981	173,269
	255,968	207,869

The nine Trustees in post during 2022 received no remuneration from the Foundation during the year (2021: the nine Trustees in post received no remuneration from the Foundation). One Trustee was reimbursed for travel and subsistence expenses totalling £75 during the year (2021: No Trustees were reimbursed for travel and subsistence expenses).

Audit fees represent £24,683 (net of VAT) for the audit of the 2022 financial statements (2021: £20,889 (net of VAT) for the audit of the 2021 financial statements). No other services were provided by the auditors.

In accordance with SORP paragraph 6.15, the audit fee is the amount paid directly by the Foundation and the fee level the Foundation is willing to pay in the open market. This is less than the total allocation of audit fees relating to the Foundation's financial statements by PricewaterhouseCoopers LLP, who are also the auditor of other FIL related entities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (cont.)

8 Support costs

	Allocated to grant-making activities £	Allocated to governance costs £	Total 2022 £
Administration and management costs	566,947	188,981	755,928
	Allocated to grant-making activities £	Allocated to governance costs £	Total 2021 £
Administration and management costs	519,809	173,269	693,078

Support costs have been allocated between grant-making activities and governance costs on a 75:25 basis. This reflects a judgment on the amount of time spent by Foundation representatives on the respective activities. See note 17 for details of how administration and management services are provided.

9 Investments

Movement in Investments during 2022

	Listed Equities £	Mutual Funds £	Mutual Funds (Restricted Fund) £	Real Estate Funds £	FIL Shares £	ERS Shares £	Total £
Market value b/f 1 January 2022	9,354,451	195,073,330	668,877	8,161,872	52,989,134	72,464,935	338,712,599
Additions at cost	1,205,377	102,176,988	7,247	-	-	-	103,389,612
Disposal proceeds	(683,172)	(97,544,469)	-	(4,390,043)	-	-	(102,617,684)
Realised gains on disposals	475,816	10,630,677	-	2,044,222	-	-	13,150,715
Unrealised FX gain	-	-	-	-	6,778,770	8,802,136	15,580,906
Unrealised investment (losses)/gains	(1,276,086)	(23,305,859)	(2,706)	(2,223,298)	2,456,600	(7,372,752)	(31,724,101)
Market value as at 31 December 2022	9,076,386	187,030,667	673,418	3,592,753	62,224,504	73,894,319	336,492,047

Movement in Investments during 2021

	Listed Equities £	Mutual Funds £	Mutual Funds (Restricted Fund) £	Real Estate Funds £	FIL Shares £	ERS Shares £	Total £
Market value b/f 1 January 2021	7,985,715	180,852,032	-	6,900,708	37,482,704	54,349,154	287,570,313
Additions at cost	-	25,374,333	622,940	-	-	-	25,997,273
Disposal proceeds	-	(28,378,481)	-	-	-	-	(28,378,481)
Realised gains on disposals	-	8,119,472	-	-	-	-	8,119,472
Unrealised FX gain	-	-	-	-	343,267	497,730	840,997
Unrealised investment gains	1,368,736	9,105,974	45,937	1,261,164	15,163,163	17,618,051	44,563,025
Market value as at 31 December 2021	9,354,451	195,073,330	668,877	8,161,872	52,989,134	72,464,935	338,712,599

9 Investments (cont.)**Recognised fair value measurements**

To provide an indication about the reliability of the inputs used in determining fair value, the Foundation has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

	Level 1	Level 2	Level 3	Total 2022
	£	£	£	£
Listed Equities	9,076,386	-	-	9,076,386
Mutual Funds	99,592,432	87,438,235	-	187,030,667
Mutual Funds (Restricted Fund)	673,418	-	-	673,418
Real Estate Funds	-	-	3,592,753	3,592,753
FIL Shares	-	-	62,224,504	62,224,504
ERS Shares	-	-	73,894,319	73,894,319
Total	109,342,236	87,438,235	139,711,576	336,492,047

	Level 1	Level 2	Level 3	Total 2021
	£	£	£	£
Listed Equities	9,354,451	-	-	9,354,451
Mutual Funds	122,653,010	72,420,320	-	195,073,330
Mutual Funds (Restricted Fund)	668,877	-	-	668,877
Real Estate Funds	-	-	8,161,872	8,161,872
FIL Shares	-	-	52,989,134	52,989,134
ERS Shares	-	-	72,464,935	72,464,935
Total	132,676,338	72,420,320	133,615,941	338,712,599

There were no transfers between any of the levels for recurring fair value measurements during the year (2021: £nil). The Foundation's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Exposure to market risk

The values of the investments are subject to foreign currency risk related to amounts denominated in currencies other than GBP, mainly being the US Dollar. If the US Dollar weakened as compared to GBP by 5%, the investment values would reduce by c. £9m (2021: £8m). The values of the investments are also subject to market risk. If the equity markets experienced a 5% downturn, the investment values would reduce by c. £9m (2021: £9m).

THE FIDELITY UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (cont.)

10 Debtors

	2022	2021
	£	£
Management fee rebates	278,678	407,394
Management fee rebates (restricted fund)	1,358	1,278
Dividend receivable	277,989	179,850
Other debtors	144,592	25,634
	<u>702,617</u>	<u>614,156</u>

11 Cash at bank

	2022	2021
	£	£
Cash at bank	<u>4,992,700</u>	<u>7,478,148</u>

12 Creditors

	2022	2021
	£	£
Amounts falling due within one year:		
Grants	8,680,945	7,873,261
Accrued administration services	133,736	69,317
Other creditors	33,114	29,449
	<u>8,847,795</u>	<u>7,972,027</u>
Amounts falling due after more than one year:		
Grants	2,957,898	1,973,275
	<u>11,805,693</u>	<u>9,945,302</u>

Movement in grant commitments during the year:

	2022	2021
	£	£
Grant commitments recognised at start of year	9,846,536	9,043,781
New grant commitments charged to SoFA in year (note 6)	10,519,251	12,245,551
Grants cancelled/amended during the year	-	52,446
Grants written back during the year	(231,800)	(74,664)
Grants paid during the year	(8,507,885)	(11,422,803)
FX loss on grants payable	12,741	2,225
Amount of grant commitments recognised at end of year	<u>11,638,843</u>	<u>9,846,536</u>

13 Contingent Liabilities

The Foundation had no contingent liabilities at 31 December 2022 (2021: £74,664 relating to a grant approved in a previous year for which payment was not certain, confirmed as not payable in 2022).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (cont.)

14 Reconciliation of net movement in funds to net cash flow from operating activities

	2022	2021
	£	£
Net movement in funds (excluding endowment)	(4,719,928)	(6,261,664)
Less: investment income earned	(2,785,022)	(2,627,132)
Add: investment management costs	2,346	1,214
Less: investment gains on restricted fund	(2,409)	(49,783)
Increase in debtors	(118,959)	(25,634)
Increase in creditors	1,859,813	830,877
Net cash outflow from operating activities	<u>(5,764,159)</u>	<u>(8,132,122)</u>

15 Net gains on investments and cash

	2022	2021
	£	£
Unrealised investment (losses)/gains	(31,723,689)	44,563,025
Realised gain on disposals	13,150,715	8,119,472
Realised gain from rebates	1,230,515	1,612,453
Unrealised FX gains on cash	7,311	6,563
Unrealised FX gains on investments	15,580,906	840,997
Other exchange rate losses	(12,740)	(2,534)
Net (losses)/gains on investments	<u>(1,766,982)</u>	<u>55,139,976</u>

16 Analysis of movement in funds

	Balance 01 January 2022	Income	Expenditure	Net losses on investments	Transfer between funds	Balance 31 December 2022
	£	£	£	£	£	£
Unrestricted funds	(2,503,828)	6,229,460	(10,941,748)	-	657,179	(6,558,937)
Restricted funds	570,370	2,712	(20)	(10,332)	-	562,730
Endowment funds	338,793,059	-	(1,352)	(1,756,650)	(657,179)	336,377,878
Total funds	<u>336,859,601</u>	<u>6,232,172</u>	<u>(10,943,120)</u>	<u>(1,766,982)</u>	<u>-</u>	<u>330,381,671</u>

	Balance 01 January 2021	Income	Expenditure	Net gain on investments	Transfer between funds	Balance 31 December 2021
	£	£	£	£	£	£
Unrestricted funds	(1,665,697)	6,640,118	(12,823,030)	-	5,344,781	(2,503,828)
Restricted funds	649,122	2,849	(129,159)	47,558	-	570,370
Endowment funds	289,045,458	-	(36)	55,092,418	(5,344,781)	338,793,059
Total funds	<u>288,028,883</u>	<u>6,642,967</u>	<u>(12,952,225)</u>	<u>55,139,976</u>	<u>-</u>	<u>336,859,601</u>

See Funds and Reserves Policy section of the Trustees' Report for more details.

17 Related party transactions

During 2022, the Foundation received a donation of £3,400,000 from FIL Holdings (UK) Limited ("FHL") (2021: £4,000,000 from FIL Holdings (UK) Limited ("FHL")). FHL is a subsidiary of FIL. FIL is a company with three directors in common with the Foundation's Trustees.

The Foundation investments include £199,699,806 of funds held in an investment portfolio managed by FIL Pensions Management ("FPM") (2021: £212,589,653). FPM is a subsidiary of FIL. Within the investment portfolio, underlying funds valued at £155,373,957 (2021: £192,309,068) are managed by subsidiaries of FIL. The Foundation holds investments managed by subsidiaries of FIL valued at £673,418 (2021: £668,877) in a restricted fund for the W L "Bill" Byrnes Global Scholarship Fund. The total annual management charge of £1,230,183 (2021: £1,612,454) was rebated to the Foundation during the year. Income in 2022 from these investments was £944,816 (2021: £776,571). At 31 December 2022, an amount of £280,036 was receivable from FPM in relation to rebated management charges (2021: £408,672) and an amount of £277,989 was receivable in relation to investment income (2021: £179,850).

Investments also include £62,224,504 of Common Shares in FIL (2021: £52,989,134 of Common shares in FIL). Dividend income in 2022 from these investments was £nil (2021: £nil).

Cash at bank and in hand includes £4,400,656 (2021: £3,211,218) of units in a fund of Fidelity Institutional Liquidity Fund plc, which is managed by FIL Investment Management (Luxembourg) S.A., Ireland Branch, a wholly owned subsidiary of FIL.

The Foundation does not employ any staff directly. Management, overhead and administration expenses of the Foundation are initially borne by FIL Investment Management Limited ("FIML") and subsequently recharged through an Administration Services Agreement set up with the Foundation. Costs attributed to the Foundation and recharged for the year were £699,429 including VAT (2021: £681,930). FIML is a wholly owned subsidiary of FIL. As at 31 December 2022, an amount of £145,023 was payable to FIML in relation to administration expenses (2021: £79,456).

FIML also provides administration services to Fidelity Bermuda Foundation, Fidelity Asia Pacific Foundation and Fidelity Europe Foundation, separate charitable trusts (formerly one Foundation known as Fidelity International Foundation), which each have five Trustees in common with the Foundation. There have been no transactions between the Foundation and any of the other foundations during the year and there are no balances outstanding between the four entities.

18 Statement of Financial Activities for the year ended 31 December 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total Funds 2021 £
Income and Endowments from:					
Donations	2	4,014,683	500	-	4,015,183
Investments	3	2,625,435	2,349	-	2,627,784
Total		6,640,118	2,849	-	6,642,967
Expenditure on:					
Raising funds (investment management costs)	4	(1,214)	-	-	(1,214)
Charitable activities (including governance costs)	5	(12,821,816)	(129,159)	(36)	(12,951,011)
Total		(12,823,030)	(129,159)	(36)	(12,952,225)
Net expense and net movement in funds before gains on investments		(6,182,912)	(126,310)	(36)	(6,309,258)
Net gains on investments and cash	15	-	47,558	55,092,418	55,139,976
Net (expense)/income and net movement in funds		(6,182,912)	(78,752)	55,092,382	48,830,718
Reconciliation of funds					
Total Funds of the Foundation brought forward at 1 January		(1,665,697)	649,122	289,045,458	288,028,883
Transfer between funds		5,344,781	-	(5,344,781)	-
Total Funds of the Foundation carried forward at 31 December		(2,503,828)	570,370	338,793,059	336,859,601

19 Balance Sheets as at 31 December 2022 and 31 December 2021 analysed by fund

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total Funds 2022 £
Fixed assets				
Investments	-	673,418	335,818,629	336,492,047
Total fixed assets	-	673,418	335,818,629	336,492,047
Current assets				
Debtors	422,581	1,358	278,678	702,617
Cash at bank and in hand	4,660,222	51,907	280,571	4,992,700
Total current assets	5,082,803	53,265	559,249	5,695,317
Liabilities				
Creditors: amounts falling due within one year	(8,768,144)	(79,651)	-	(8,847,795)
Net current (liabilities)/assets	(3,685,341)	(26,386)	559,249	(3,152,478)
Total assets less current liabilities	(3,685,341)	647,032	336,377,878	333,339,569
Creditors: amounts falling due after more than one year	(2,873,596)	(84,302)	-	(2,957,898)
Net (liabilities)/assets	(6,558,937)	562,730	336,377,878	330,381,671
	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total Funds 2021 £
Fixed assets				
Investments	-	668,877	338,043,722	338,712,599
Total fixed assets	-	668,877	338,043,722	338,712,599
Current assets				
Debtors	179,850	1,278	433,028	614,156
Cash at bank and in hand	7,031,481	130,358	316,309	7,478,148
Total current assets	7,211,331	131,636	749,337	8,092,304
Liabilities				
Creditors: amounts falling due within one year	(7,895,741)	(76,286)	-	(7,972,027)
Net current (liabilities)/assets	(684,410)	55,350	749,337	120,277
Total assets less current liabilities	(684,410)	724,227	338,793,059	338,832,876
Creditors: amounts falling due after more than one year	(1,819,418)	(153,857)	-	(1,973,275)
Net (liabilities)/assets	(2,503,828)	570,370	338,793,059	336,859,601

20 Grants awarded during 2022**Enabling disadvantaged children and young people to fulfil their potential**

During the course of the year 28 grants were given to organisations active in the field of enabling disadvantaged children and young people to fulfil their potential, with a total value of £4,770,621 (2021: 41 grants, total value £6,368,138).

Grantee	Description of Grant	Amount of Grant
Place2Be	'Project Insight' - towards data integration and a new document management system	£491,700
The Fostering Network	New Content Management System and website to support growth	£373,947
Career Ready	Development of digital tools to increase reach and offer more career opportunities for young people	£310,079
Speech and Language UK (previously I CAN)	Digital and technology updates to enhance efficiency, reach, impact and fundraising	£300,000
The Tutor Trust	Recruitment of a new Digital Product Manager to scope and deliver: a new website; a new portal for tutors; and an online platform for pupils and parents to enhance user experience and support growth	£298,000
OnSide Youth Zones	Improving impact measurement through enhanced data capture and rollout of Level 2 Youthwork training	£235,377
Become Charity (trading as Become)	Towards new role of Director of Operations to support growth and impact	£221,130
SHiFT Organisation	Appointment of a new Director of Business Development to build capacity and support organisational growth and expansion	£203,500
Football Beyond Borders	Integration of new and updated IT and digital systems	£201,933
Khulisa	New posts of Head of Partnerships and Data Quality Officer to enhance impact and enable growth	£200,000
The Difference Education Ltd	Development of a new CRM system and scaling the Inclusive Leadership Course	£189,840
Redthread Youth Limited	Towards a new CRM system and discovery work for technology development relating to HR, online training and HIVE	£182,518
42nd Street	Completion of technology platform delivering online mental health services by adding three new functions and scoping the market for a potential wider roll-out of the platform.	£177,445
Chance (UK) Ltd	Review and refresh Chance UK's evaluation methodology to enhance impact	£150,000
Fair Education Alliance	Towards new post of Head of Insights and Data	£149,359
Power2	Establishment of a new Business Development function to expand reach and impact through securing commissioned income	£147,300
New Horizon Youth Centre	Towards new post of Clinical Lead to deliver wellbeing programme for young people experiencing homelessness	£143,424
ReachOut	Towards two new administrative roles; Operations Officer and Programme Assistant	£132,176
National Literacy Trust	Towards new post of Digital Campaigns Manager to enhance digital engagement across the organisation's regional literacy hubs	£130,000
Action Tutoring Ltd	Development of the Virtual Programme	£125,429
Villiers Park Educational Trust	Towards four posts (two fixed term contracts and two consultants) to build digital capacity for online coaching	£118,300
School of Hard Knocks	Towards new post of Trusts & Foundations Manager role to support bid writing and fundraising.	£96,000
CLPE - Centre for Literacy in Primary Education	New CRM system	£67,664

20 Grants awarded during 2022 (cont.)**Enabling disadvantaged children and young people to fulfil their potential (cont.)**

Grantee	Description of Grant	Amount of Grant
Fight for Peace	Developing an IT strategy and establishment of new filing structures	£53,000
Youth Access	Development of funding and income generation model to support sustainability	£20,000
XLP	Towards discovery work to support impact management	£20,000
The Access Project	Technology developments to support the scale up of a group tutoring programme	£20,000
Empire Fighting Chance	Consultancy support to enhance data analysis	£12,500
Total		£4,770,621

Arts, culture and heritage

During the course of the year 14 grants were given to organisations active in the field of Arts, Culture and Heritage with a total value of £2,630,195 (2021: 14 grants, total value £1,809,417).

Grantee	Description of Grant	Amount of Grant
Museum of London	Towards digital transformation projects, including a new CRM system, digital activity to support fundraising and membership	£500,000
Sheffield Museums	Towards two staff posts (Community Curator and Exhibition Co-ordinator) to support development of community engagement programmes	£285,298
The Charleston Trust	Recruitment of two marketing roles (Marketing and Audience Insight Manager and Festivals Marketing Manager) and associated activities.	£249,174
Leeds Theatre Trust Limited (trading as Leeds Playhouse)	Towards the PLAY House project to develop a new early years/family offering to enhance reach and sustainability	£180,000
Derby Museums	Towards four new staff posts (Business Administrator, Data Collection and Research Coordinator, and two Programme Coordinators) to expand and enhance learning programmes, data collection and research to engage a wider audience	£170,299
Sistema Scotland	Towards new post of Director Children and Communities and leadership development	£166,475
Greater Manchester Arts Centre Limited (trading as HOME)	Towards refurbishment of three railway arches to support expansion and create a new artist development centre	£150,000
North Music Trust (operating as Sage Gateshead)	Strengthening digital skills and capacity to engage audiences	£150,000
Somerset House Trust	Towards new post of Business Systems Manager to increase organisational capacity to implement operational improvements.	£146,000
Artichoke Trust	Digital Transformation Project: CRM, website, membership platform, donation, ticketing and purchase pathways	£144,825
The Old Vic Theatre Trust	Development of education and community programme, with an emphasis on expanding activity for primary school children	£142,921
Birmingham Museums Trust	Dynamic Collections: Towards a community participation project to improve digital records and access to museum collections	£125,000
Manchester Camerata	Improving finance function and impact monitoring, including new post of Finance and Data Manager	£120,000
Kettle's Yard, University of Cambridge	Towards new post of Enterprise Manager	£100,203
Total		£2,630,195

20 Grants awarded during 2022 (cont.)**Health and wellbeing**

During the course of the year 9 grants were given to organisations active in the field of Health and wellbeing with a total value of £2,406,935 (2021: 14 grants, total value £3,376,489).

Grantee	Description of Grant	Amount of Grant
Mental Health Innovations	Expansion of Data Insights team to support development of data driven insights and services	£576,000
Carers UK	Development of a new Client Relationship Management system to enhance operations and impact	£550,000
Access Your Right To Care (trading as Access Social Care)	Towards new posts of Chief Technology Officer, Head of Data Insights, and Head of Business Development to support growth of chatbot	£300,000
Re-engage (previously Contact the Elderly)	New digital tools to improve volunteer experience and new roles of Marketing Automation Manager & Data Officer	£250,310
The Movement for Non-Mobile Children (trading as Whizz-Kidz)	New CRM system to enable efficiencies, growth and improve data collection	£244,695
Groundswell	Towards posts of Progression and Participation Director and Head of Operations and a new impact measurement database	£215,442
The Maggie Keswick Jencks Cancer Caring Centres Trust (Maggie's)	New Case Management System (CMS) to enable growth and support data management and analysis	£178,788
Tender Education & Arts	Towards new post of Research and Impact Manager to enhance impact measurement and sustainability.	£71,700
Carers Trust	Towards discovery phase for new Virtual Carers Centre	£20,000
Total		£2,406,935

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (cont.)

20 Grants awarded during 2022 (cont.)

Other

During the course of the year 3 grants were given to Cross Sector projects with a total value of £641,500 (2021: 1 grant of £240,000) and 4 grants were given to organisations at the request of the unaffiliated Trustees* with a total value of £70,000 (2021: 8 grants totalling £120,000). No grants were given to any Other projects (2021: 1 grant of £322,400).

Grantee	Description of Grant	Amount of Grant
Cross Sector:		
DataKind UK	Towards new posts of Fundraiser, Head of DataDives and Volunteer Community and Head of DataCorps and SCO Community	£372,500
Centre for the Acceleration of Social Technology (operating as CAST)	Development of an online platform for charities to access and re-use relevant, sector specific technology and digital tools	£265,000
Institute for Voluntary Action Research (IVAR)	Towards development of convenings for charitable trusts and foundations	£4,000
Trustee Grants:		
Fine Cell Work	Towards Design & Commissions Manager role	£20,000
The Federation of London Youth Clubs	Towards costs of membership development team	£20,000
The Friends of St Eadburgha's	Restoration and equipment	£20,000
6th Chiswick Brownies & Guides	Programme costs for Girlguiding group	£10,000
Total		£711,500

*These grants were previously disclosed under the relevant project sector, rather than being specifically identified as grants that were given to organisations at the request of the unaffiliated Trustees.

THE FIDELITY UK FOUNDATION

England & Wales - Charity number 327899

Accounts

THE FIDELITY UK FOUNDATION

(Registered Charity Number: 327899)

**Annual Report and Financial Statements
for the year ended 31 December 2021**

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees submit their annual report and audited financial statements for The Fidelity UK Foundation ("the Foundation") for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Trust Deed, the Charities Act 2011, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (the "Charities SORP").

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

Objective and activities for the public benefit

The objective of the Foundation is to make grants to organisations for charitable purposes, as recognised by the laws of England and Wales. The objective is consistent year to year.

The Foundation's strategy for achieving this objective is to build an endowment out of which sustainable, long-term grant-making programmes can be established. The Trustees set annual grant budgets designed to balance current grant-making programmes and the long-term future of the Foundation. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and in planning future activities and setting the grant-making policy for the year.

Grant-making guidelines

The Foundation has established its grant-making guidelines to achieve its objective for the public benefit. Grant-making guidelines are reviewed annually to ensure that they continue to reflect the Foundation's objective and thereby advance public benefit.

The Foundation directs the majority of its grants to UK registered charities operating in the UK, primarily in the fields of:

- Enabling disadvantaged children and young people to fulfil their potential
- Health and wellbeing
- Arts, culture and heritage

The Foundation aims to strengthen the impact, efficiency and/or sustainability of the charitable organisations that it supports. As such, the Foundation has a focus on supporting capacity-building, by which the Foundation means the capacity, knowledge and resources that charities need to be effective.

Each grant application is considered on an individual basis against the Foundation's grant-making guidelines. Foundation representatives (and from time to time, Trustees) meet with applicants to establish a fuller understanding of the organisation and their needs.

In addition to reviewing the applicant's fit with the Foundation's grant-making guidelines, other factors considered as part of the due diligence process include: the organisation's impact and its role relative to other organisations in the field; strategic plans; leadership and governance; operations; financial health; and the degree to which the project for which funding is requested will strengthen an organisation's impact, efficiency and/or sustainability.

Grantees are requested to report to the Foundation on progress towards achieving the goals of the project supported as outlined in their application to the Foundation, on a periodic basis.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (cont.)

Grant-making guidelines (cont.)

The Foundation's focus and approach to grant-making is outlined on the website www.fidelityukfoundation.org.

The Foundation can make grants outside of the categories and grant-making guidelines described above. Grants made from the W L "Bill" Byrnes Global Scholarship Fund are made in line with that fund's purpose (see Funds and reserves policy section for more details).

Achievements and performance in 2021

During 2021, the Trustees met their objective of awarding grants to charitable organisations with a view to strengthening their impact, efficiency and/or sustainability, thereby delivering public benefit. In 2021, 72 grants were awarded totalling £12,245,551.

In 2020, the Foundation established a clear strategic framework for its programme focused on enabling disadvantaged children and young people to fulfil their potential. Drawing on this framework, in 2021 the Foundation pro-actively identified organisations to support that are active in the following fields: education attainment and social mobility; community-based interventions; wellbeing; and employability.

Having paused the Arts, Culture and Heritage programme in 2020 (to focus on supporting existing grantees and organisations benefiting people particularly impacted by the COVID-19 pandemic), in 2021 the Foundation refreshed its strategic framework for this programme. Grants made in 2021 therefore reflect the new framework, which includes a focus on 'mid-sized' organisations that have diverse business models, are entrepreneurial in nature, demonstrate effective engagement with local and diverse audiences, and in some cases undertake activity that cuts across the Foundation's other two programmes.

The Foundation enhanced its approach to grant-making by introducing a two-stage application process to create efficiencies in the grant-making process for both applicants and the Foundation. The Foundation also embarked on a project to upgrade its grants management system to improve the user experience and create efficiencies.

As a result of the impact of the COVID-19 pandemic on charitable organisations, the Foundation continued to offer flexibility to existing grantees as they adapted to the changing landscape including amending deadlines for reporting, extending grant offer periods, or repurposing existing grants.

Grants were awarded in 2021 as follows:

Area	Number of grants awarded	Total amount awarded	% of total by amount
Disadvantaged children and young people	41	£6,368,138	52%
Health and wellbeing	14	£3,376,489	27%
Arts, culture and heritage	14	£1,809,417	15%
Other	2	£562,400	5%
Grant(s) from the W L "Bill Byrnes Global Scholarship Fund	1	£129,107	1%
Total	72	£12,245,551	100%

Type of support	Number of grants awarded	Total amount awarded	% of total by amount
Information Technology	27	£5,632,308	46%
Organisational Development/Planning	30	£4,937,647	40%
Core Costs/Programme Costs	9	£758,196	6%
Capital grants (including refurbishment)	5	£595,000	5%
Equipment	1	£322,400	3%
Total	72	£12,245,551	100%

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (cont.)

Further details of the grants awarded are included in note 6. A full list of all grants awarded in 2021 is included in note 20 to the financial statements.

Grants were awarded in 2020 as follows:

Area	Number of grants awarded	Total amount awarded	% of total by amount
Arts, Culture and Heritage	4	£359,073	4%
Health	14	£3,570,753	36%
Education	15	£2,869,632	29%
Disadvantaged children and young people	16	£2,855,731	29%
Cross Sector	1	£200,693	2%
Total	50	£9,855,882	100%

Type of support	Number of grants awarded	Total amount awarded	% of total by amount
Capital grants (including refurbishment)	4	£266,293	3%
Information Technology	23	£5,355,108	54%
Equipment	1	£265,000	3%
Core Costs/Programme Costs	14	£2,762,639	28%
Organisational Development/Planning	8	£1,206,842	12%
Total	50	£9,855,882	100%

Financial review

The Foundation remains in a sound financial position. The net assets of the Foundation increased by 17% from £288,028,883 at the start of the year to £336,859,601 at 31 December 2021. The Foundation is committed to building and maintaining an invested fund for the long-term benefit of the Foundation and its beneficiaries. Donations received were £4,015,183 (2020: £3,275,588) and the Foundation approved grants totalling £12,245,551 (2020: £9,855,882). An amount of £2,098 relating to a grant awarded in a previous year was written back in 2021 (as the related project came in under budget) and another grant approved in a previous year was increased by £54,544 (as approved by the Trustees) resulting in net additional grant expenditure of £52,446 (2020: 1 grant totalling £500,000 written back). An amount of £74,664 relating to a grant approved in a previous year was written back in 2021 and disclosed as a contingent liability, as changes to the related project mean that this amount may no longer be paid. No grants were returned and credited to the statement of financial activities in 2021 (2020: 1 grant totalling £350,000).

Investment policy and performance

The Foundation's assets have continued to be managed in accordance with the provisions of the Trust Deed, the Trustee Act 2000, the Charity Commission's guidance and the Foundation's Investment Policy, which was revised in July 2021 and sets out the long-term investment objective, risk profile, and the Foundation's approach to Responsible Investing.

The financial objective of the managed portfolio is to achieve a real return of 4% per annum (calculated as 4% + RPI) over the long term. The portfolio is diversified across a broad range of asset classes, industries, geographies and investment strategies. The Foundation supports the view that the effective management of environmental, social and governance ("ESG") issues by companies it invests in is an important component in achieving good financial performance and long-term growth. As such, the Foundation actively encourages its investment manager(s) to integrate ESG issues into investment analysis and decision-making processes, including voting and engagement.

The Foundation's heritage is closely connected to the FIL and Eight Roads groups of companies. Due to this connection, the Foundation holds common shares in FIL and common and preferred shares in ERS.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (cont.)

Investment policy and performance (cont.)

The Finance & Investment Subcommittee is authorised by the Board to monitor, review and manage all aspects of the Investment Policy and strategy and to provide oversight of the operation of the investments, ensuring that these arrangements are aligned with the Foundation's Investment Policy

At 31 December 2021, the total value of investments was £338,712,599 (2020: £287,570,313). The managed portfolio was valued at £212,589,652 (2020: £195,738,455), the FIL shares were valued at £52,989,134 (2020: £37,482,704), the Eight Roads Shareholdings Limited ("ERS") shares were valued at £72,464,936 (2020: £54,349,154) and investments held in the name of the W L "Bill" Byrnes Global Scholarship Fund were valued at £668,877 (2020: £nil).

For the year to 31 December 2021 the investment portfolio (excluding FIL and ERS shares) delivered a return of 11.4% compared with the benchmark return of 10.0% (2020: return of 6.4% compared with the benchmark return of 5.8%). FIL and ERS shares delivered a return of 36.6% (excluding dividends), in sterling, over the same year (2020: 13.0%).

Trustees will continue to closely monitor performance during 2022.

Risk management

As outlined in the Foundation's risk register, Trustees have identified the following risks: governance/compliance risk; operational risk; financial risk; grant-making risk; and reputational risk.

Governance/compliance risk - relates to the Foundation meeting regulatory, accounting and legal compliance requirements.

The Foundation actively manages these risks through robust internal controls, effective application of relevant policies, engagement with specialist advisers for legal requirements and regular reporting to Trustees.

Operational risk - relates to the Foundation being unable to deliver its work.

The Foundation actively manages these risks through robust internal controls, an Administrative Services Agreement with Fidelity International and a business continuity plan.

Financial risk - relates to the Foundation meeting its financial commitments and long-term objectives, financial reporting and record keeping, liquidity, market and credit risk.

- Liquidity risk is the risk that the Foundation does not have sufficient available resources to enable it to meet its obligations as they fall due or can only secure them at excessive cost.
- Market risk is the risk of adverse financial impact due to changes in the fair values of the Foundation's investments as a result of fluctuations in foreign currency exchange rates, interest rates, fund and equity prices. Foreign exchange rate risks exist related to the investments and cash denominated in foreign currencies. Interest rate risk exists related to cash and investments in liquidity funds that are subject to daily interest rate variances. Fund and equity price risk exists due to market driven fluctuations in the investment portfolio values.
- Credit risk is the risk of a counterparty failing to meet its financial obligations to the Foundation. Investments and cash are only held with financial institutions of an appropriate standing and which have been approved by the Trustees.

The Foundation actively manages these risks, with oversight from the Finance & Investment Subcommittee, through robust internal controls, effective application of relevant policies, regular monitoring and reporting of the financial performance of investments, and regular cash flow and liquidity forecasting.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (cont.)

Risk management (cont.)

Grant-making risk - relates to the Foundation's ability to achieve its grant-making objectives.

The Foundation actively manages this risk through annual review of grant-making guidelines, clear approach to grant-making, due diligence and grants administration, clear decision-making processes and monitoring of grantee performance against project goals.

Reputational risk - relates to the Foundation's ability to respond effectively to any incident that could affect the Foundation's reputation.

The Foundation actively manages this risk through application of all Foundation policies, and also through clear terms and conditions in grant agreements, and the monitoring of the application of grants made through reports received from grantees.

A detailed risk register, which includes details of the mitigating actions, is reviewed annually by the Trustees. The Trustees confirm that they are satisfied with the procedures which have been established to regularly monitor these risks and with the action taken to mitigate exposure to them.

Funds and reserves policy

The Trustees wish to build a substantial Foundation for long-term charitable purposes. As the level and frequency of future donations is uncertain, the Trustees have established an expendable endowment fund to provide sufficient future income and growth to ensure the Foundation's long-term sustainability and to meet its overall charitable objectives. The Trustees have targeted an expected level of overall growth (capital and income) from the invested funds and expect to be able to spend around 5% of the average endowment fund over the previous three years for grant-making, administration and other costs in the subsequent year, while preserving the real value of the endowment. For 2021, this resulted in a grant-making budget of up to £12,500,000 (2020: £11,500,000).

The endowment fund represents donations received, invested into the managed portfolio, together with the gains and losses arising from the portfolio. The Trustees have discretion to transfer some or all of the capital of the endowment to the unrestricted fund in circumstances which they consider would justify it, having regard to the need to maintain an appropriate balance between the interests of present and future beneficiaries. The value of the endowment fund at 31 December 2021 was £338,793,058 (31 December 2020: £289,045,458).

The unrestricted fund provides the working capital of the Foundation for grant-making, administration and other costs. The level of funds and estimates of likely future expenditure are monitored and reviewed on a regular basis and transfers are made from the endowment, if necessary.

The Foundation's managed portfolio is sufficiently liquid to enable the redemption of amounts to be transferred to the unrestricted fund allowing the Foundation to meet payment commitments as they fall due. The Trustees have concluded that, based on current conditions and considering their ability to transfer from the expendable endowment, the level of unrestricted funds should generally not exceed the value of one year's forecast expenditure.

A total amount of £6,200,000 was redeemed from the managed portfolio during 2021 (2020: £6,300,000) and £5,344,781 transferred to the unrestricted fund (2020: £5,228,768). The value of unrestricted funds at 31 December 2021 was a deficit of £2,503,828 (2020: deficit of £1,665,697). Any deficit in the unrestricted fund can be funded by redemptions from the managed portfolio and a transfer between funds at the Trustees' discretion.

The restricted fund represents the W L "Bill" Byrnes Global Scholarship Fund, which was established in 2019 as a restricted fund within the Foundation to honour one of the founders of Fidelity International, Bill Byrnes, by receiving, managing and investing donations received in his memory and using these funds to provide scholarships to talented business students from around the world via specific business schools. The value of the restricted fund at 31 December 2021 was £570,370 (31 December 2020: £649,122).

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (cont.)

Funds and reserves policy (cont.)

Each month, the Foundation prepares rolling cashflow forecasts of its financial position looking fifteen months ahead. Cashflow forecasts for the twelve months from the date of approval of the financial statements have also been considered to reflect a 'worst case scenario'. This assumes: zero investment or donation income; that current grant-making budgets are sustained (based on an annual budget calculated as referenced above); and, together with anticipated administration and other expenses and payments of existing grant commitments, all expenditure is funded through transfers from the endowment into the unrestricted funds. Based on these forecasts, the Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern and the financial statements are prepared on this basis.

Plans for future periods

The Trustees are committed to continuing to make grants in accordance with the stated objective of the Foundation and to source grant proposals matching the Foundation's grant criteria. The Trustees aim to set a grant budget at a level that will allow the Foundation to meet its objective, while maintaining a sustainable level of assets for future periods.

In the forthcoming period, the Trustees anticipate the overall value of grants awarded to remain at a similar level. While continuing to make grants in fields as outlined in the grant-making guidelines, the Foundation will also continue to review the strategic frameworks for its programmes as it learns from grants made and adapts to the changing context. In 2022, the Foundation will also focus on developing a strategic framework for the Health and Wellbeing programme and will begin to explore the development of a new programme focused on environmental conservation. The Foundation will also develop its approach to impact and learning, and will introduce and embed a new grants management to improve the user experience and create efficiencies. New finance systems will be implemented, also creating efficiencies and supporting financial control.

Structure, governance and management

The Foundation is a registered charity, number 327899, which is constituted as a charitable trust under a Trust Deed dated 13 July 1988. This Trust Deed authorises Trustees to make decisions regarding the allocation of funds.

Trustees meet three times a year, the Finance & Investment Subcommittee meets twice a year, and the Independent Trustees Subcommittee meets once per year. Various policies and guidelines are in place and are reviewed periodically to ensure sufficient governance arrangements and effective monitoring. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 7 and 17 to the financial statements. From time to time a grant may be awarded to an organisation with which a Trustee is involved in some capacity. Trustees are required to disclose all relevant interests, which are then recorded in a conflicts of interest register, and in accordance with the Foundation's policy withdraw from decisions where any conflict of interest arise.

Any new Trustees are appointed by the settlor, FIL Investment Services (UK) Limited, based on their ability to add value to the Foundation. Newly appointed Trustees are given an induction, during which they are briefed on investments, the grant-making process and the powers and responsibilities of the Trustee board. A brief history of the Trust, copies of Board and sub-committee minutes, annual reports and financial statements, and a copy of the governing Trust Deed are made available to the incoming Trustee.

The Trustees of the Foundation have absolute discretion in the application of any income and capital of the Foundation for any purpose recognised as charitable by the law of England and Wales. Decisions regarding the application of funds and investment strategy are made at meetings of the board of Trustees.

Grant proposals are presented to Trustees at Board meetings and between meetings via email. Decisions are arrived at on the basis of mutual agreement among Trustees. Some grants payable are subject to certain conditions being met by the recipients as outlined in grant offer packs.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (cont.)

Structure, governance and management (cont.)

The Trustees have established policies and procedures for delegated authority under which a guide budget is made available for small grants which are proposed by Foundation representatives and subject to approval by either one or two Trustees (dependent on grant size). Small grants, amounting in aggregate to no more than 10% of the small grant guide budget, are able to be made at the discretion of the Foundation's Chief Executive.

The five Trustees that are unaffiliated to FIL Limited (see note below) also have a small budget for allocation to charitable organisations; these donations fall within the overall grant-making strategy of the Foundation and are not normally made to charities in which the 'unaffiliated' Trustee is involved in a formal capacity and in such cases, proposals are considered by the board.

The Foundation has not carried out any fundraising activities during the year. The Foundation received an unsolicited donation during the year to the W L "Bill" Byrnes Global Scholarship Fund.

Day to day management of the Foundation's operations is carried out by FIL Investment Management Limited ("FIML"), which has suitable controls in place. FIML has been one of the principal donors to the Foundation. Further details are provided in note 17 to the financial statements.

Reference and administrative information

Trustees

The Trustees of the Foundation who were in office during the year and up to the date of signing the financial statements were:

A J Bolton
S R Gandhi
P D Goldsbrough
A P Johnson
E B Johnson
E C Johnson IV
J W Owen
M A Rogers
S E Walden

All of the Trustees are associated with the principal donors to the Foundation, with the exception of the five unaffiliated Trustees: S R Gandhi, P D Goldsbrough, J W Owen, M A Rogers and S E Walden.

Registered Office:	Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP
Administrators:	FIL Investment Management Limited, 4 Cannon Street, London EC4M 5AB (Foundations Chief Executive: Lenka Setkova)
Investment Advisors:	FIL Pensions Management, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP
Bankers:	Barclays Bank PLC, 73-75 Calverley Road, Tunbridge Wells, Kent TN1 2UZ
Solicitors:	Bates, Wells and Braithwaite London LLP, 10 Queen Street Place, London EC4R 1BE
Independent Auditors:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors, 1 Embankment Place, London WC2N 6RH
Registered Charity Number:	327899

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (cont.)

Statement of Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & 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 Foundation and of the incoming resources and application of resources of the Foundation for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards comprising FRS 102, 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 Foundation 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 Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors

The Trustees have re-appointed the auditors, PricewaterhouseCoopers LLP, for the year to 31 December 2022.

Approved by the Trustees on 23 March 2022 and signed on their behalf by:



Trustee: S E Walden

Date: 23 March 2022

Independent auditors' report to the Trustees of The Fidelity UK Foundation

Report on the audit of the financial statements

Opinion

In our opinion, The Fidelity UK Foundation's financial statements ("the financial statements"):

- give a true and fair view of the state of the Foundation's affairs as at 31 December 2021 and of its incoming resources and application of resources, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2021; the statement of financial activities for the year then ended; the cash flow statement for the year then ended; and the notes to the financial statements which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 Foundation's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Foundation's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Charities Act 2011 requires us also to report certain opinions and matters as described below.

Trustees' Report

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities in relation to the financial statements, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also 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.

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

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Foundation and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and relevant regulations made or having an effect thereunder including the Charities (Accounts and Reports) Regulations 2008, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) by the trustees and those responsible for, or involved in the preparation of the financial statements and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed included:

- Evaluating management's controls designed to prevent and detect irregularities.
- Making enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations.
- Challenging assumptions and judgements made by management in significant accounting estimates and judgements.
- Testing unusual or unexpected journal entries, particularly those impacting revenue.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the Foundation's trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the Foundation; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
23 March 2022

THE FIDELITY UK FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income and Endowments from:						
Donations	2	4,014,683	500	-	4,015,183	3,275,588
Investments	3	2,625,435	2,349	-	2,627,784	1,085,332
Total		6,640,118	2,849	-	6,642,967	4,360,920
Expenditure on:						
Raising funds (investment management costs)	4	(1,214)	-	-	(1,214)	(5,010)
Charitable activities (including governance costs)	5	(12,821,816)	(129,159)	(36)	(12,951,011)	(9,728,246)
Total		(12,823,030)	(129,159)	(36)	(12,952,225)	(9,733,256)
Net expense and net movement in funds before gains on investments		(6,182,912)	(126,310)	(36)	(6,309,258)	(5,372,336)
Net gains on investments and cash	15	-	47,558	55,092,418	55,139,976	20,938,923
Net (expense)/income and net movement in funds		(6,182,912)	(78,752)	55,092,382	48,830,718	15,566,587
Reconciliation of funds						
Total Funds of the Foundation brought forward at 1 January		(1,665,697)	649,122	289,045,458	288,028,883	272,462,296
Transfer between funds		5,344,781	-	(5,344,781)	-	-
Total Funds of the Foundation carried forward at 31 December		(2,503,828)	570,370	338,793,059	336,859,601	288,028,883

A comparative Statement of Financial Activities can be found in note 18 to the financial statements.

THE FIDELITY UK FOUNDATION

BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	Total Funds 2021 £	Total Funds 2020 £
Fixed assets			
Investments	9	<u>338,712,599</u>	<u>287,570,313</u>
Total fixed assets		<u>338,712,599</u>	<u>287,570,313</u>
Current assets			
Debtors	10	614,156	523,092
Cash at bank	11	<u>7,478,148</u>	<u>9,049,560</u>
Total current assets		8,092,304	9,572,652
Liabilities			
Creditors: amounts falling due within one year	12	<u>(7,972,027)</u>	<u>(7,487,431)</u>
Net current assets		120,277	2,085,221
Total assets less current liabilities		<u>338,832,876</u>	<u>289,655,534</u>
Creditors: amounts falling due after more than one year	12	(1,973,275)	(1,626,651)
Net assets		<u>336,859,601</u>	<u>288,028,883</u>
Endowment Funds		338,793,059	289,045,458
Restricted Income Funds		570,370	649,122
Unrestricted Income Funds		(2,503,828)	(1,665,697)
Total Funds of the Foundation		<u>336,859,601</u>	<u>288,028,883</u>

A comparative Balance Sheet can be found in note 19 to the financial statements

The financial statements on pages 13 to 33 were approved by the Board of Trustees on 23 March 2022 and were signed on its behalf by

Trustee

sally walden

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S E Walden

THE FIDELITY UK FOUNDATION

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Cash flows from operating activities:			
Net cash used in operating activities	14	(8,132,122)	(6,430,533)
Cash flows from investing activities:			
Investment income received		2,605,498	1,096,545
Investment management charges paid		(908)	(7,567)
Management fee rebates		1,568,350	1,082,968
Proceeds from sale of investments*		28,378,481	36,261,255
Purchase of investments*		<u>(25,997,274)</u>	<u>(31,620,005)</u>
Net cash provided by investing activities		<u>6,554,147</u>	<u>6,813,196</u>
Change in cash in the year		(1,577,975)	382,663
Effect of exchange rate changes on cash		6,563	(93,250)
Net (decrease)/increase in cash		<u>(1,571,412)</u>	<u>289,413</u>
Cash at beginning of the year		<u>9,049,560</u>	<u>8,760,147</u>
Cash at the end of the year		<u><u>7,478,148</u></u>	<u><u>9,049,560</u></u>

*All purchases and sales of investments took place within the Endowment Fund and the Restricted Fund.

The Fidelity UK Foundation does not maintain any debt and therefore a reconciliation of net debt has not been included as the cash movements above provided the same information.

1 Accounting policies

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value except for investments which are recorded at fair value as disclosed in note 9. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (the "Charities SORP"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011.

The Trustees are authorised to apply the capital of the Foundation's endowment to the Foundation's charitable activities. The Foundation's investments are sufficiently liquid so as to permit the redemption of amounts from the investment portfolio to allow the Foundation to make grant payments from unrestricted funds or endowment funds as they fall due. As a result, Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern and the financial statements are prepared on a going concern basis.

Planned redemptions totalling £6,200,000 were made from the investment portfolio during 2020 (2020: £6,300,000), comprising of transfers from the expendable endowment fund to the unrestricted fund with the balance being the portfolio income earned (recorded as unrestricted income in line with Charity Commission guidance), to enable the Foundation to make grant payments as they fall due.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

Judgements

Judgements are made in relation to the method of allocating support costs between grant-making activities and governance costs on the basis of the amount of time spent by Foundation representatives on each activity (see note 1(f) and note 8), in relation to recognising the full amount of multi-year grants at date of approval and in writing back cancelled grants (see notes 1(d) and notes 12 and 13 for more information).

Estimates

The most significant estimates and key assumptions that affect items in the financial statements are related to the valuation of unquoted investments (see note 1(h) and note 9 for more information). With respect to the next reporting period, the year ending 31 December 2022, the most significant areas of uncertainty that could affect the carrying value of the assets held by the Foundation are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the Trustees' Annual Report for more information). Estimates are also used in the assessment of exposure to market risk (see note 9).

1 Accounting policies (cont.)

(b) Funds structure

The Foundation funds are made up of an endowment fund, a restricted fund and an unrestricted fund. The endowment fund is an invested expendable endowment enabling the Foundation to maintain a sustainable long-term grant-making programme. The Trustees have discretion to expend some or all of the capital of the expendable endowment in circumstances which they consider would justify it, having regard to the need to maintain an appropriate balance between the interests of present and future beneficiaries. The restricted fund was established during 2019 in relation to the W L “Bill” Byrnes Global Scholarship Fund (see the reserves policy section of the Trustees’ Report for more detail). The unrestricted fund is available for use at the discretion of the Trustees in furtherance of the general activities of the Foundation.

Transfers from the endowment fund to the unrestricted fund, arising from the Trustees’ decision to apply the accumulated capital of the endowment to the Foundation’s charitable activities, are recognised when investments are sold, and the sales proceeds are redeemed from the Foundation’s investment portfolio.

(c) Income recognition

All income is recognised when the Foundation has entitlement to the income, it is probable that the income will be received, and the amount of income can be measured reliably.

Donations represent amounts received by the Foundation or where the Foundation has been notified that a donation has been irrevocably committed to be made to it during the financial year and include any associated tax credits.

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 Foundation; this is normally upon notification of the interest paid or payable by the bank.

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note 1 (f) below.

Grants are payments made to third parties in the furtherance of the charitable objectives of the Foundation. Grants are recognised in the financial statements as liabilities after they have been approved by Trustees or by delegation, the recipients have been notified of the award (formally or informally) and it is fully expected that any terms and conditions to be fulfilled by the grantee(s) will be met. In these circumstances there is a valid expectation by the recipients that they will receive the grant. Once recognised in the financial statements, grants are only written back if the related project is cancelled or if there is a material change in the scope of the project meaning that it no longer meets the terms of the grant agreement. If the scope or timing of a project significantly changes but the Trustees still want to fund it, the related grant is written back and disclosed instead as a contingent liability to reflect the uncertainty around the timing of the payment.

Provisions for grants are made when recipients have been notified of the award but there is uncertainty as to the timing of the grant or the amount of grant payable.

(e) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1 Accounting policies (cont.)

(f) Allocation of support costs

Governance costs are a type of support costs and comprise all costs involving the public accountability of the Foundation and its compliance with regulation and good practice. These costs include statutory audit and legal fees together with an apportionment of the support costs considered to be incurred in complying with statutory requirements, such as Trustees' meetings and the preparation of financial statements (see note 7).

Other support costs have been allocated between governance costs and grant-making activities on a 25:75 basis, reflecting an estimation of the time spent by Foundation representatives on the respective activities (as disclosed in note 1 (a)). Those support costs attributed to grant-making activities have subsequently been allocated between programme areas based on the number of grants awarded in each category. See notes 6 and 8 for further details.

(g) Management fees and rebates

Gross investment management fees are charged against investment fund prices with investment valuations being shown net of these charges. The Foundation receives rebates of all of the investment management charges, which are received in cash and immediately reinvested into the managed portfolio. Management fee rebates are presented as realised gains on the managed portfolio and not as donated services.

(h) Fixed asset investments

Investments are a form of basic financial instrument.

Quoted investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Unquoted investments are stated at current value based on expected realisable value at the balance sheet date. The current value of FIL shares and ERS shares has been estimated to be equal to the value communicated by FIL and ERS, based on net asset values ("NAV") per share approved by the directors of FIL and ERS. The unquoted investments in FIL and ERS can only be redeemed at the discretion of FIL and ERS and only at the quarterly NAV. FIL and ERS also have the right to apply restrictions to defer the payment of significant redemption proceeds; however, the Trustees do not foresee a circumstance under which this would be enforced, and the Trustees do not believe that there are any restrictions that would materially affect the fair value of the investment. Based on these investment characteristics, NAV is determined to be the best approximation of fair value. The current values of the holdings in Fidelity UK Real Estate Fund have been based on the NAV of units held and are provided by FIL Investment Services (UK) Limited in its capacity as Authorised Corporate Director of the fund. The current values of the holdings in Fidelity Common Contractual Funds are derived from the sum of the quoted prices of the investments in the underlying funds and are provided by FIL Fund Management (Ireland) Limited in its capacity as Manager of the fund.

The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or subsectors. More detailed disclosures relating to investments and risk are included in the Trustees' Report.

(i) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (cont.)

1 Accounting policies (cont.)

(j) Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is not considered probable; or
- a present obligation following a grant offer where the amount has not been communicated in the grant offer letter and that amount cannot be estimated reliably.

(k) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

(l) Taxation

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, if these profits are applied solely for charitable purposes.

2 Donations

	2021	2020
	£	£
Corporate donations	4,000,000	3,248,755
Donations to the W L "Bill" Byrnes Global Scholarship Fund	500	20,380
Other donations	14,683	6,453
	<u>4,015,183</u>	<u>3,275,588</u>

3 Investment income

	2021	2020
	£	£
Listed equities	160,228	142,106
Other equities	1,748,994	-
Mutual funds	592,266	802,689
Real Estate funds	123,274	125,473
Cash funds	673	12,774
Mutual and cash funds (restricted fund)	2,349	1,486
Bank interest	-	804
	<u>2,627,784</u>	<u>1,085,332</u>

4 Raising funds

	2021	2020
	£	£
Investment management costs:		
Custodian fee	<u>1,214</u>	<u>5,010</u>

5 Charitable activities

	Unrestricted Funds 2021	Restricted Funds 2021	Endowment Funds 2021	Total Funds 2021
	£	£	£	£
Grant-making activities (note 6)	12,613,947	129,159	36	12,743,142
Governance costs (note 7)	207,869	-	-	207,869
	12,821,816	129,159	36	12,951,011

	Unrestricted Funds 2020	Restricted Funds 2020	Endowment Funds 2020	Total Funds 2020
	£	£	£	£
Grant-making activities (note 6)	9,509,236	5	236	9,509,477
Governance costs (note 7)	218,769	-	-	218,769
	9,728,005	5	236	9,728,246

6 Grant-making activities

All grants were made to institutions; no grants were made to individuals. Grant support costs have been allocated based on the number of grants awarded in each category.

Grants approved in 2021	Number of grants	Grant value	Support costs (note 8)	Total
		£	£	£
Arts, culture and heritage	14	1,809,417	102,497	1,911,914
Health and wellbeing	14	3,376,489	102,497	3,478,986
Disadvantaged children and young people	41	6,368,138	300,172	6,668,310
Other	2	562,400	14,643	577,043
	71	12,116,444	519,809	12,636,253
Grants from W L "Bill" Byrnes Global Scholarship Fund	1	129,107	-	129,107
	72	12,245,551	519,809	12,765,360
Grants written back		(74,664)	-	(74,664)
Grants cancelled or amended		52,446	-	52,446
Total		12,223,333	519,809	12,743,142

See note 20 for a full list of grants approved in year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (cont.)

6 Grant-making activities (cont.)

Grants approved in 2020	Number of grants	Grant value	Support costs (note 8)	Total
		£	£	£
Arts, culture and heritage	4	359,073	40,288	399,361
Health and wellbeing	14	3,570,753	141,006	3,711,759
Education	15	2,869,632	151,079	3,020,711
Disadvantaged children and young people	16	2,855,731	161,150	3,016,881
Cross Sector	1	200,693	10,072	210,765
	50	9,855,882	503,595	10,359,477
Grants from W L "Bill" Byrnes Global Scholarship Fund	-	-	-	-
	50	9,855,882	503,595	10,359,477
Grants cancelled or amended		(500,000)	-	(500,000)
Grants returned		(350,000)	-	(350,000)
Total		9,005,882	503,595	9,509,477

7 Governance costs

	2021	2020
	£	£
Trustee expenses	-	61
Legal fees	9,532	21,189
Audit fees	25,068	29,655
Support costs (note 8)	173,269	167,864
	<u>207,869</u>	<u>218,769</u>

The nine Trustees in post during 2021 received no remuneration from the Foundation during the year (2020: the eleven Trustees in post received no remuneration from the Foundation). No Trustees were reimbursed for travel and subsistence expenses during the year (2020: one Trustee was reimbursed a total of £61).

Audit fees represent £20,889 (net of VAT) for the audit of the 2021 financial statements (2020: £19,894 (net of VAT) for the audit of the 2020 financial statements and an additional £4,819 (net of VAT) relating to fees incurred during 2020 (for the completion of the audit of the 2019 financial statements)). No other services were provided by the auditors.

In accordance with SORP paragraph 6.15, the audit fee is the amount paid directly by the Foundation and the fee level the Foundation is willing to pay in the open market. This is less than the total allocation of audit fees relating to the Foundation's financial statements by PricewaterhouseCoopers LLP, who are also the auditor of other FIL related entities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (cont.)

8 Support costs

	Allocated to grant-making activities £	Allocated to governance costs £	Total 2021 £
Administration and management costs	519,809	173,269	693,078
	Allocated to grant-making activities £	Allocated to governance costs £	Total 2020 £
Administration and management costs	503,595	167,864	671,459

Support costs have been allocated between grant-making activities and governance costs on a 75:25 basis. This reflects a judgment on the amount of time spent by Foundation representatives on the respective activities. See note 17 for details of how administration and management services are provided.

9 Investments

Movement in Investments during 2021

	Listed Equities £	Mutual Funds £	Mutual Funds (Restricted Fund) £	Real Estate Funds £	Other Equities £	Total £
Market value b/f 1 January 2021	7,985,715	180,852,032	-	6,900,708	91,831,858	287,570,313
Additions at cost	-	25,374,333	622,940	-	-	25,997,273
Disposal proceeds	-	(28,378,481)	-	-	-	(28,378,481)
Realised gains on disposals	-	8,119,472	-	-	-	8,119,472
Unrealised FX gain	-	-	-	-	840,997	840,997
Unrealised investment gains	1,368,736	9,105,974	45,937	1,261,164	32,781,214	44,563,025
Market value as at 31 December 2021	9,354,451	195,073,330	668,877	8,161,872	125,454,069	338,712,599

Movement in Investments during 2020

	Listed Equities £	Mutual Funds £	Real Estate Funds £	Other Equities £	Total £
Market value b/f 1 January 2020	8,276,315	175,758,723	7,097,730	81,089,566	272,222,334
Additions at cost	-	31,620,005	-	-	31,620,005
Disposal proceeds	-	(36,261,255)	-	-	(36,261,255)
Realised (losses)/gains on disposals	(3,021)	8,241,098	-	-	8,238,077
Unrealised FX loss	-	-	-	(2,502,830)	(2,502,830)
Unrealised investment (losses)/gains	(287,579)	1,493,461	(197,022)	13,245,122	14,253,982
Market value as at 31 December 2020	7,985,715	180,852,032	6,900,708	91,831,858	287,570,313

At 31 December 2020 and 2021, other equities comprised of Common Shares in FIL Limited and Common and Preferred Shares in Eight Roads Shareholdings Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (cont.)

9 Investments (cont.)

Recognised fair value measurements

To provide an indication about the reliability of the inputs used in determining fair value, the Foundation has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

	Level 1	Level 2	Level 3	Total 2021
	£	£	£	£
Listed Equities	9,354,451	-	-	9,354,451
Mutual Funds	122,653,010	72,420,320	-	195,073,330
Mutual Funds (Restricted Fund)	668,877	-	-	668,877
Real Estate Funds	-	-	8,161,872	8,161,872
Other Equities	-	-	125,454,069	125,454,069
Total	132,676,338	72,420,320	133,615,941	338,712,599

	Level 1	Level 2	Level 3	Total 2020
	£	£	£	£
Listed Equities	7,985,715	-	-	7,985,715
Mutual Funds	117,486,662	63,365,370	-	180,852,032
Real Estate Funds	-	-	6,900,708	6,900,708
Other Equities	-	-	91,831,858	91,831,858
Total	125,472,377	63,365,370	98,732,566	287,570,313

There were no transfers between any of the levels for recurring fair value measurements during the year (2020: £nil).

The Foundation's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Exposure to market risk

The values of the investments are subject to foreign currency risk related to amounts denominated in currencies other than GBP, mainly being the US Dollar. If the US Dollar weakened as compared to GBP by 5%, the investment values would reduce by c. £8m (2020: £6m). The values of the investments are also subject to market risk. If the equity markets experienced a 5% downturn, the investment values would reduce by c. £9m (2020: £8m).

THE FIDELITY UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (cont.)

10 Debtors

	2021	2020
	£	£
Management fee rebates	407,394	364,568
Management fee rebates (restricted fund)	1,278	-
Dividend receivable	179,850	158,524
Other debtors	25,634	-
	<u>614,156</u>	<u>523,092</u>

11 Cash at bank

	2021	2020
	£	£
Cash at bank	<u>7,478,148</u>	<u>9,049,560</u>

12 Creditors

	2021	2020
	£	£
Amounts falling due within one year:		
Grants	7,873,261	7,417,130
Accrued administration services	69,317	43,092
Other creditors	29,449	27,209
	<u>7,972,027</u>	<u>7,487,431</u>
Amounts falling due after more than one year:		
Grants	1,973,275	1,626,651
	<u>9,945,302</u>	<u>9,114,082</u>

Movement in grant commitments during the year:

	2021	2020
	£	£
Grant commitments recognised at start of year	9,043,781	8,926,931
New grant commitments charged to SoFA in year (note 6)	12,245,551	9,855,882
Grants cancelled/amended during the year	52,446	(500,000)
Grants written back during the year	(74,664)	-
Grants paid during the year	(11,422,803)	(9,239,032)
FX loss on grants payable	2,225	-
Amount of grant commitments recognised at end of year	<u>9,846,536</u>	<u>9,043,781</u>

13 Contingent Liabilities

The Foundation has a contingent liability of £74,664 (2020: £nil) relating to a grant approved in a previous year that is not recognised in the financial statements as payment is not certain.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (cont.)

14 Reconciliation of net movement in funds to net cash flow from operating activities

	2021	2020
	£	£
Net movement in funds (excluding endowment)	(6,261,664)	(5,372,100)
Less: investment income earned	(2,627,132)	(1,071,072)
Add: investment management costs	1,214	5,010
Less: investment gains on restricted fund	(49,783)	-
Increase in debtors	(25,634)	-
Increase in creditors	830,877	7,629
Net cash outflow from operating activities	<u>(8,132,122)</u>	<u>(6,430,533)</u>

15 Net gains on investments and cash

	2021	2020
	£	£
Unrealised investment gain	44,563,025	14,253,982
Realised gain on disposals	8,119,472	8,238,078
Realised gain from rebates	1,612,453	1,042,942
Unrealised FX gains/(losses) on cash	6,563	(93,250)
Unrealised FX gains/(losses) on investments	840,997	(2,502,830)
Other exchange rate (losses)/gains	(2,534)	1
Net gains on investments	<u>55,139,976</u>	<u>20,938,923</u>

16 Analysis of movement in funds

	Balance 01 January 2021	Income	Expenditure	Net gain on investments	Transfer between funds	Balance 31 December 2021
	£	£	£	£	£	£
Unrestricted funds	(1,665,697)	6,640,118	(12,823,030)	-	5,344,781	(2,503,828)
Restricted funds	649,122	2,849	(129,159)	47,558	-	570,370
Endowment funds	289,045,458	-	(36)	55,092,418	(5,344,781)	338,793,059
Total funds	<u>288,028,883</u>	<u>6,642,967</u>	<u>(12,952,225)</u>	<u>55,139,976</u>	<u>-</u>	<u>336,859,601</u>

	Balance 01 January 2020	Income	Expenditure	Net gain on investments	Transfer between funds	Balance 31 December 2020
	£	£	£	£	£	£
Unrestricted funds	(1,500,503)	4,339,053	(9,733,015)	-	5,228,768	(1,665,697)
Restricted funds	627,260	21,867	(5)	-	-	649,122
Endowment funds	273,335,539	-	(236)	20,938,923	(5,228,768)	289,045,458
Total funds	<u>272,462,296</u>	<u>4,360,920</u>	<u>(9,733,256)</u>	<u>20,938,923</u>	<u>-</u>	<u>288,028,883</u>

See Funds and Reserves Policy section of the Trustees' Report for more details.

17 Related party transactions

During 2021, the Foundation received a donation of £4,000,000 from FIL Holdings (UK) Limited ("FHL") (2020: £3,248,755 from FIL Limited ("FIL")). FHL is a subsidiary of FIL. FIL is a company with three directors in common with the Foundation's Trustees.

The Foundation investments include £212,589,653 of funds held in an investment portfolio managed by FIL Pensions Management ("FPM") (2020: £195,738,455). FPM is a subsidiary of FIL. Within the investment portfolio, underlying funds valued at £119,888,749 (2020: £109,199,145) are managed by subsidiaries of FIL. The Foundation holds investments managed by subsidiaries of FIL valued at £668,877 (2020: £nil) in a restricted fund for the W L "Bill" Byrnes Global Scholarship Fund. The total annual management charge of £1,612,454 (2020: a significant portion of the annual management charge totalling £1,032,261) was rebated to the Foundation during the year. Income in 2021 from these investments was £776,571 (2020: £957,271). At 31 December 2021, an amount of £408,672 was receivable from FPM in relation to rebated management charges (2020: £364,568) and an amount of £179,850 was receivable in relation to investment income (2020: £158,524).

Investments also include £52,989,134 of Common Shares in FIL (2020: £37,482,704 of Common shares in FIL). Dividend income in 2021 from these investments was £nil (2020: £nil).

Cash at bank and in hand includes £3,211,218 (2020: £4,446,157) of units in a fund of Fidelity Institutional Liquidity Fund plc, which is managed by FIL Fund Management (Ireland) Limited, a wholly owned subsidiary of FIL.

The Foundation does not employ any staff directly. Management, overhead and administration expenses of the Foundation are initially borne by FIL Investment Management Limited ("FIML") and subsequently recharged through an Administration Services Agreement set up with the Foundation. Costs attributed to the Foundation and recharged for the year were £681,930 including VAT (2020: £662,488). FIML is a wholly owned subsidiary of FIL. As at 31 December 2021, an amount of £79,456 was payable to FIML in relation to administration expenses (2020: £52,637).

FIML also provides administration services to Fidelity Bermuda Foundation, Fidelity Asia Pacific Foundation and Fidelity Europe Foundation, separate charitable trusts (formerly one Foundation known as Fidelity International Foundation), which each have five Trustees in common with the Foundation. There have been no transactions between the Foundation and any of the other foundations during the year and there are no balances outstanding between the four entities.

18 Statement of Financial Activities for the year ended 31 December 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total Funds 2020 £
Income and Endowments from:					
Donations	2	3,255,208	20,380	-	3,275,588
Investments	3	1,083,845	1,487	-	1,085,332
Total		4,339,053	21,867	-	4,360,920
Expenditure on:					
Raising funds (investment management costs)	4	(5,010)	-	-	(5,010)
Charitable activities (including governance costs)	5	(9,728,005)	(5)	(236)	(9,728,246)
Total		(9,733,015)	(5)	(236)	(9,733,256)
Net (expense)/income and net movement in funds before gains on investments		(5,393,962)	21,862	(236)	(5,372,336)
Net gains on investments and cash	15	-	-	20,938,923	20,938,923
Net (expense)/income and net movement in funds		(5,393,962)	21,862	20,938,687	15,566,587
Reconciliation of funds					
Total Funds of the Foundation brought forward at 1 January		(1,500,503)	627,260	273,335,539	272,462,296
Transfer between funds		5,228,768	-	(5,228,768)	-
Total Funds of the Foundation carried forward at 31 December		(1,665,697)	649,122	289,045,458	288,028,883

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (cont.)

19 Balance Sheets as at 31 December 2021 and 31 December 2020 analysed by fund

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total Funds 2021 £
Fixed assets				
Investments	-	668,877	338,043,722	338,712,599
Total fixed assets	-	668,877	338,043,722	338,712,599
Current assets				
Debtors	179,850	1,278	433,028	614,156
Cash at bank and in hand	7,031,481	130,358	316,309	7,478,148
Total current assets	7,211,331	131,636	749,337	8,092,304
Liabilities				
Creditors: amounts falling due within one year	(7,895,741)	(76,286)	-	(7,972,027)
Net current (liabilities)/assets	(684,410)	55,350	749,337	120,277
Total assets less current liabilities	(684,410)	724,227	338,793,059	338,832,876
Creditors: amounts falling due after more than one year	(1,819,418)	(153,857)	-	(1,973,275)
Net (liabilities)/assets	(2,503,828)	570,370	338,793,059	336,859,601
	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total Funds 2020 £
Fixed assets				
Investments	-	-	287,570,313	287,570,313
Total fixed assets	-	-	287,570,313	287,570,313
Current assets				
Debtors	158,524	-	364,568	523,092
Cash at bank and in hand	7,114,861	824,122	1,110,577	9,049,560
Total current assets	7,273,385	824,122	1,475,145	9,572,652
Liabilities				
Creditors: amounts falling due within one year	(7,437,431)	(50,000)	-	(7,487,431)
Net current (liabilities)/assets	(164,046)	774,122	1,475,145	2,085,221
Total assets less current liabilities	(164,046)	774,122	289,045,458	289,655,534
Creditors: amounts falling due after more than one year	(1,501,651)	(125,000)	-	(1,626,651)
Net (liabilities)/assets	(1,665,697)	649,122	289,045,458	288,028,883

20 Grants awarded during 2021

Enabling disadvantaged children and young people to fulfil their potential

During the course of the year 41 grants were given to organisations active in the field of enabling disadvantaged children and young people to fulfil their potential, with a total value of £6,368,138 (2020: 16 grants, total value £2,855,731).

Grantee <i>Description of Grant</i>	Amount of Grant	Type of Support
The Prince's Trust <i>Building data analysis and impact reporting capabilities, enabling more young people to achieve positive outcomes</i>	£500,000	Information Technology
Teach First <i>Towards a Client Relationship Management system to transform operational effectiveness and achieve programme growth</i>	£500,000	Information Technology
St Giles Trust <i>Towards four new Business Development Manager posts to build capacity to deliver youth services outside of London</i>	£408,864	Organisational Development
UK Youth <i>Key staff posts to build digital and data capacity, strengthening UK Youth's network and supporting more young people</i>	£362,241	Organisational Development
Shelter, National Campaign for Homeless People Ltd <i>Digital solution to triage requests for housing information and advice, increasing reach and improving emergency support</i>	£339,830	Information Technology
Right to Succeed <i>Consultancy and staff posts to 'codify' approach and enhance data analysis</i>	£294,000	Organisational Development
Home-Start UK <i>Building business intelligence capabilities, enabling more vulnerable families to achieve positive outcomes</i>	£287,675	Information Technology
The Brilliant Club <i>Enhancements to Virtual Learning Environment to improve access and usage of course materials</i>	£281,800	Information Technology
MyBnk <i>Towards four new staff posts to expand financial education benefiting more disadvantaged young people</i>	£255,000	Organisational Development
Magic Breakfast <i>Towards an Enterprise Resource Planning IT system to enhance operational management and support planned growth</i>	£248,200	Information Technology
ThinkForward <i>New CRM system to enhance relationship management and support growth</i>	£228,750	Information Technology
Voice 21 <i>Development of technology to enhance membership management functionality for gathering and analysing information about the Oracy Schools Programme</i>	£202,500	Information Technology
Fair Education Alliance <i>Development of digital tools to engage, support and inform members, strengthening impact through collaboration across the sector.</i>	£196,364	Information Technology
1851 Trust <i>Impact and research study to improve impact measurement and towards the post of a STEM Curriculum Lead</i>	£165,900	Organisational Development
Centrepont Soho <i>Towards refurbishment of the Manchester centre supporting homeless young people</i>	£150,000	Buildings (refurbishment)

20 Grants awarded during 2021 (cont.)

Enabling disadvantaged children and young people to fulfil their potential (cont.)

Breaking Barriers <i>Towards new staff posts, building capacity to expand programmes to Birmingham and Manchester</i>	£150,000	Organisational Development
Street League <i>AI-enabled reporting system to enhance data analysis and insight</i>	£142,935	Information Technology
Enabling Enterprise (trading as The Skills Builder Partnership) <i>Expansion of the Skills Builder Framework to youth and employability charities</i>	£138,611	Organisational Development
Greenhouse Sports <i>Enhancing impact management to support growth and strengthen impact</i>	£132,560	Organisational Development
Spark Inside <i>Toward new post of Head of Impact and Evaluation</i>	£130,897	Core Costs
Young Enterprise <i>Project Management System and Teacher Portal to enhance operations and impact measurement</i>	£130,000	Information Technology
Streetwise North <i>Towards new post of Chief Operating Officer to build capacity for impact and growth</i>	£129,662	Organisational Development
Ark UK Programmes <i>Towards post of Head of Digital and IT development to increase reach and enhance the impact of Ark Curriculum Plus for teachers</i>	£120,000	Organisational Development
UK Sailing Academy <i>Towards new building to increase capacity for educational and vocational programmes</i>	£115,000	Buildings
Contact <i>Digital development to enable expansion, providing information and support to more families with children who are disabled</i>	£105,700	Information Technology
Springboard UK Limited <i>Development of the CareerScope platform to help young people source employment opportunities</i>	£94,092	Information Technology
FARE Scotland <i>Towards post of Operational Procurement Manager</i>	£87,700	Organisational Development
Making the Leap <i>Towards new post of Director of Strategy and Innovation to strengthen the senior management team</i>	£76,000	Organisational Development
Family Lives <i>Towards two posts - Family Support Project/Change Manager and Project Marketing and Development Manager - to help scale national advice services and develop a new delivery model for ParentChild+</i>	£66,320	Organisational Development
Football Beyond Borders <i>IT security and data protection enhancement, building organisational capacity to underpin expansion plans</i>	£63,480	Information Technology
City Year UK <i>Programme codification and technology enhancements</i>	£52,083	Organisational Development
Coram Voice <i>Towards the upgrade of a case management system to achieve operational efficiencies</i>	£51,974	Information Technology
Friends of Strand on the Green Schools <i>Development of outdoor play area for infants</i>	£20,000	Buildings
Jamie's Farm <i>Core programme delivery costs</i>	£20,000	Core Costs
Ark <i>Digitisation of resources for Ark Curriculum Plus, increasing the materials available to teachers to support more young people</i>	£20,000	Core Costs

20 Grants awarded during 2021 (cont.)

Enabling disadvantaged children and young people to fulfil their potential (cont.)

Power2 <i>Towards consultancy costs to develop a trading model to support growth</i>	£20,000	Organisational Development
Pause <i>Towards consultancy costs of impact evaluation</i>	£20,000	Organisational Development
Drive Forward Foundation <i>Towards implementation of new Client Relationship Management system</i>	£20,000	Information Technology
Causeway Education <i>Pilot project to improve university progression rates</i>	£15,000	Information Technology
Leap Confronting Conflict <i>Towards consultancy costs to develop strategy for growth</i>	£15,000	Organisational Development
Breaking Barriers <i>Core programme delivery costs</i>	£10,000	Core Costs
Total	£6,368,138	

Health and wellbeing

During the course of the year 14 grants were given to organisations active in the field of Health and wellbeing with a total value of £3,376,489 (2020: 14 grants, total value £3,570,753).

Grantee <i>Description of Grant</i>	Amount of Grant	Type of Support
Anthony Nolan <i>Digitisation of communications and processes to streamline the donation of blood stem cells for transplant operations</i>	£484,800	Information Technology
Asthma UK and British Lung Foundation Partnership <i>External consultant to support strategy development and towards a Client Relationship Management system</i>	£450,000	Information Technology
SCOPE <i>Towards a Client Relationship Management system to effectively manage supporter and client data</i>	£400,000	Information Technology
Beat Eating Disorders <i>Towards three new Senior Helpline Advisers and associated delivery costs to expand Beat's digital services</i>	£398,192	Core Costs
Cruse Bereavement Care <i>Organisational and technology development to expand reach of bereavement support</i>	£360,505	Organisational Development
Diabetes UK <i>Development of online resources to support more people with diabetes who are most vulnerable to health inequality</i>	£299,900	Information Technology
Pathway <i>Towards new business development role to support growth and expand services to new hospitals</i>	£196,000	Organisational Development
London's Air Ambulance <i>Digitisation and analysis of outcome data to enhance evaluation, innovation, research and efficiency</i>	£194,691	Information Technology
Hospice UK <i>Project to strengthen the ability of the hospice sector to engage with Integrated Care System</i>	£186,775	Organisational Development
Nordoff Robbins Music Therapy <i>Towards the establishment of a new team in Newcastle to expand provision of music therapy in the North East of England</i>	£184,626	Organisational Development
The Nelson Trust <i>Towards two new posts in human resources and finance to support expansion</i>	£161,000	Organisational Development
I CAN <i>Towards consultancy costs to scope digital strategy</i>	£20,000	Organisational Development

THE FIDELITY UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (cont.)

20 Grants awarded during 2021 (cont.)

Health and wellbeing (cont.)

Carers UK <i>Towards consultancy costs to scope technology requirements for a Client Relationship Management system</i>	£20,000	Organisational Development
Multiple Sclerosis Society <i>Towards post of Project Manager to oversee development of a new Client Relationship Management system</i>	£20,000	Core Costs
Total	£3,376,489	

Arts, culture and heritage

During the course of the year 14 grants were given to organisations active in the field of Arts, Culture and Heritage with a total value of £1,809,417 (2020: 4 grants, total value £359,073).

Grantee <i>Description of Grant</i>	Amount of Grant	Type of Support
Midlands Arts Centre <i>Building capacity to expand and enhance community outreach and cultural programming to engage more diverse audiences</i>	£332,300	Organisational Development
Bletchley Park Trust Limited <i>Refurbishment of a learning centre, increasing capacity for STEM education</i>	£300,000	Buildings
The Design Museum <i>Towards a new Chief Operating Officer post</i>	£270,000	Organisational Development
South London Fine Art Gallery and Library <i>Digital, marketing and audience development to reach new audiences, and consultancy for strategy development</i>	£215,500	Organisational Development
National Museums and Galleries on Merseyside (operating as National Museums Liverpool) <i>Developing the House of Memories programme for museums and care providers across Wales, helping more people live well with dementia</i>	£207,000	Organisational Development
Battersea Arts Centre <i>Strengthening data analysis and reporting capabilities to enhance income-generation and operational efficiencies</i>	£194,617	Information Technology
St Paul's Cathedral Foundation <i>Development of website to enhance visitor offer and earned/voluntary income</i>	£150,000	Information Technology
Heart n Soul <i>Towards the communications function</i>	£50,000	Organisational Development
London Philharmonic Orchestra <i>Towards technology to support move to a hybrid concert model</i>	£20,000	Information Technology
Graeae Theatre Company <i>Towards creation of digital programme, supporting Deaf and disabled artists</i>	£20,000	Core Costs
Art Fund <i>Towards consultancy costs to research and share digital best practice in the arts and culture sectors</i>	£20,000	Information Technology
Art UK (Public Catalogue Foundation) <i>Core costs to support organisation's mission to make art available to everyone</i>	£10,000	Core Costs
St Andrew by the Wardrobe <i>Towards administration, fundraising and project evaluation associated with project to renovate the church</i>	£10,000	Buildings
Gordon Russell Design Museum <i>Digitisation of the museum's archive of original design drawings, photography, marketing materials and writings</i>	£10,000	Information Technology
Total	£1,809,417	

20 Grants awarded during 2021 (cont.)**Cross Sector**

During the course of the year 1 grant of £240,000 was given to a Cross Sector project (2020: 1 grant of £200,693).

Grantee <i>Description of Grant</i>	Amount of Grant	Type of Support
Centre for the Acceleration of Social Technology (operating as CAST) <i>Strengthening the digital skills of the charitable sector through shared resources and learning opportunities</i>	£240,000	Organisational Development
Total	£240,000	

Other

During the course of the year 1 grant of £322,400 was given to an Other project (2020: £nil).

Grantee <i>Description of Grant</i>	Amount of Grant	Type of Support
Prifysgol Aberystwyth University <i>Audio-visual equipment in a new Science Centre, increasing public access to STEM education opportunities</i>	£322,400	Equipment
Total	£322,400	

Education

No grants were given to Education projects during 2021, as this programme was merged with the 'Community Development' programme to form the new programme focused on enabling disadvantaged children and young people fulfil their potential (2020: 15 grants, total value £2,869,632).

Community Development

No grants were given to Community Development projects in 2021 as this programme was merged with the 'Education' programme to form the new programme focused on enabling disadvantaged children and young people fulfil their potential (2020: 16 grants, total value £2,855,731).

Grants from the W L "Bill" Byrnes Global Scholarship Fund

During the course of the year 1 grant of £129,107 was made from the W L "Bill" Byrnes Global Scholarship Fund (2020: £nil).

Grantee <i>Description of Grant</i>	Amount of Grant	Type of Support
National University of Singapore Business School <i>Scholarships for students studying for a Masters in Finance 2021-25</i>	£129,107	Core Costs/Programme Costs
Total	£129,107	

THE FIDELITY UK FOUNDATION

England & Wales - Charity number 327899

Accounts

THE FIDELITY UK FOUNDATION

(Registered Charity Number: 327899)

**Annual Report and Financial Statements
for the year ended 31 December 2020**

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees submit their annual report and audited financial statements for The Fidelity UK Foundation ("the Foundation") for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Trust Deed, the Charities Act 2011, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019 (the "Charities SORP") and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

Objective and activities for the public benefit

The objective of the Foundation is to make grants to organisations for charitable purposes, as recognised by the laws of England and Wales. The objective is consistent year to year.

The Foundation's strategy for achieving this objective is to build an endowment out of which sustainable long-term grant-making programmes can be established. The Trustees set annual grant budgets designed to balance current grant-making programmes and the long-term future of the Foundation. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and in planning future activities and setting the grant-making policy for the year.

Grant-making guidelines

The Foundation has established its grant-making guidelines to achieve its objective for the public benefit. Grant-making guidelines are reviewed annually to ensure that they continue to reflect the Foundation's objective and thereby advance public benefit.

The Foundation directs the majority of its grants to UK registered charities operating in the UK, primarily in the fields of:

- **arts, culture and heritage** – including nationally significant heritage sites, internationally recognised museums and class-leading organisations in the visual and performing arts;
- **community development** – particularly early interventions and charities which help young and/or disadvantaged people achieve their potential;
- **education** – particularly initiatives which improve education outcomes for the disadvantaged, from early years through to transition to work;
- **health** – including disability, palliative care and centres of excellence involved in ground-breaking research and treatments to address chronic illness.

During 2020, the Trustees agreed to merge the 'community development' and 'education' programmes under an overarching programme goal to 'enable disadvantaged children and young people fulfil their potential', with a particular focus on: education attainment, community-based interventions, wellbeing and employability. Grants will be disclosed using this new category from 2021 onwards.

The Foundation aims to strengthen the impact, efficiency and/or sustainability of the charitable organisations that it supports. As such, the Foundation has a focus on supporting capacity-building, by which the Foundation means the capacity, knowledge and resources that charities need to be effective.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (cont.)

Grant-making guidelines (cont.)

Each grant application is considered on an individual basis against the Foundation's grant-making guidelines. Foundation representatives (and from time to time, Trustees) meet with applicants to establish a fuller understanding of the organisation and their needs.

In addition to reviewing the applicant's fit with the Foundation's grant-making guidelines, other factors considered as part of the due diligence process include: the organisation's impact; role relative to other organisations in the field and strategic plans; leadership and governance; operations; financial health; and the degree to which the project for which funding is requested will strengthen an organisations impact, efficiency and/or sustainability. Grantees are requested to report to the Foundation on progress towards achieving the goals of the project supported as outlined in their application to the Foundation, on a periodic basis.

Information on how to apply for a grant is available on the website www.fidelityukfoundation.org.

The Foundation can make grants outside of the categories and grant-making process described above. Grants made from the W L "Bill" Byrnes Global Scholarship Fund are made in line with that fund's purpose (see Funds and reserves policy section for more details).

Achievements and performance in 2020

During 2020, the Trustees met their objective of awarding grants to charitable organisations with a view to strengthening their impact, efficiency and/or sustainability, thereby delivering public benefit.

Trustees considered and monitored the impact of COVID-19 on the Foundation, its programmes and grantees. Working within the framework of the Foundation's grant-making guidelines, given the impact of the pandemic the Foundation had a particular focus on organisations supporting those most disadvantaged in society. While a majority of grants were made to sizeable charities (many of whom were past grantees of the Foundation), the Foundation also supported smaller charities through COVID-19 emergency funds run by the Community Foundations in Kent and Surrey, and the London Community Response Fund in recognition of the important role played by small, community-based organisations. The Foundation also offered flexibility to existing grantees as they adapted to the rapidly changing landscape (including amending deadlines for reporting, extending grant offer periods, or repurposing existing grants).

As part of a planned review of the Foundation's strategy, Trustees agreed to merge the 'community development' and 'education' programmes under one overarching goal 'Enabling disadvantaged children and young people achieve their potential'. Grant-making guidelines were updated to reflect a broader definition of capacity-building.

The Foundation established a new Finance & Investment Subcommittee to provide support to the Trustees in the performance of their duties to prudently manage the Foundation's finances and the investment portfolio.

See the table below for details of the number and total value of grants awarded by sector.

Grants were awarded in 2020 as follows:

Area	Number of grants awarded	Total amount awarded	% of total by amount
Arts, Culture and Heritage	4	£359,073	4%
Health	14	£3,570,753	36%
Education	15	£2,869,632	29%
Community Development	16	£2,855,731	29%
Cross Sector	1	£200,693	2%
Total	50	£9,855,882	100%

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (cont.)

Achievements and performance in 2020 (cont.)

Type of support	Number of grants awarded	Total amount awarded	% of total by amount
Building Acquisition/Development/Restoration	4	£266,293	3%
Information Technology	23	£5,355,108	54%
Equipment	1	£265,000	3%
Core Costs/Programme Costs	14	£2,762,639	28%
Organisational Development/Planning	8	£1,206,842	12%
Total	50	£9,855,882	100%

Further details of the grants awarded are included in note 6. A full list of all grants awarded in 2020 is included in note 20 to the financial statements.

Grants were awarded in 2019 as follows:

Area	Number of grants awarded	Total amount awarded	% of total by amount
Arts, Culture and Heritage	16	£2,343,281	21%
Health	14	£3,648,222	33%
Education	14	£2,676,148	25%
Community Development	14	£1,680,265	15%
Conservation	1	£290,370	3%
Cross Sector	1	£132,892	1%
Grants from the W L "Bill" Byrnes Global Scholarship Fund	2	£250,000	2%
Total	62	£11,021,178	100%

Type of support	Number of grants awarded	Total amount awarded	% of total by amount
Building Acquisition/Development/Restoration	20	£4,042,929	37%
Information Technology	24	£4,233,905	39%
Equipment	4	£1,005,545	9%
Core Costs/Programme Costs	7	£371,000	3%
Organisational Development/Planning	7	£1,367,799	12%
Total	62	£11,021,178	100%

Financial review

The Foundation remains in a sound financial position. The net assets of the Foundation increased by 6% from £272,462,296 at the start of the year to £288,028,883 at 31 December 2020. Despite volatility in investment markets during the year, net assets remained healthy, demonstrating a commitment to maintain and build an invested fund for the long-term benefit of the Foundation and its beneficiaries. Donations received accounted for £3,275,588 (2019: £894,620) of income and the Foundation approved grants totalling £9,855,882 (2019: £11,021,178). An amount of £500,000 relating to a grant awarded in a previous year was written back in 2020 (2019: 3 grants totalling £83,774) and a grant totalling £350,000 paid in a previous year was returned and credited to the statement of financial activities (2019: 1 grant totalling £42,600). In each case this was due to the related project being cancelled or materially changed in scope, rather than the Trustees' decision to withdraw the grant.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (cont.)

Investment policy and performance

The Foundation's assets have continued to be managed in accordance with the provisions of the Trust Deed and the Trustees' investment policy, as set out below:

- investments and dispositions of investments by or on behalf of the Foundation shall be made exclusively for the benefit of the Foundation and to assist the Foundation in implementing its objectives.
- investment decisions relating to funds have been delegated to FIL Pensions Management with overall investment strategy being retained by the Trustees. The majority of invested assets continue to be held in mutual funds.
- investment decisions relating to shares in FIL Limited ("FIL") are taken by unaffiliated Trustees in line with the Conflicts of Interest policy.
- where practicable, the concentration of investment in any enterprise or related group of enterprises is kept below 20% of the Foundation's assets (having regard to the Charity Commission's requirement for Trustees to consider the need to diversify investments). In the event that the value of an investment exceeds 20% as the result of donations, growth or decline in the value of a particular position, considerations of diversification alone should not force its disposition.

The Finance & Investment Subcommittee, established in 2020, is authorised by the Board to monitor, review and manage all aspects of the Investment Policy and strategy and to provide oversight of the operation of the investments, ensuring that these arrangements are aligned with the Foundation's Investment Policy

At 31 December 2020, the total value of investments was £287,570,313 (2019: £272,222,334). The managed portfolio was valued at £195,738,455 (2019: £191,132,768), the FIL shares were valued at £37,482,704 (2019: £28,109,110) and the Eight Roads Shareholdings Limited ("ERS") shares were valued at £54,349,154 (2019: £52,980,456).

The investment objective of the managed portfolio for the year to 31 December 2020 was to outperform a composite of indices (composed of 65% equities, 20% UK bonds and 15% alternative investments). The performance of the portfolio is monitored by the Trustees on a regular basis by comparing the investment returns against the benchmark.

For the year to 31 December 2020 the investment portfolio (excluding FIL and ERS shares) delivered a return of 6.4% compared with the benchmark return of 5.8% (2019: return of 14.2% compared with the benchmark return of 14.9%). FIL and ERS shares delivered a return of 13.0% (excluding dividends), in sterling, over the same year (2019: 13.0%).

Trustees will continue to closely monitor performance during 2021.

Risk management

As outlined in the Foundation's risk register, Trustees have identified the following risks: governance/compliance risk; financial risk; grant-making risk; and reputational risk.

Governance/compliance risk - relates to the Foundation meeting regulatory, accounting and legal compliance requirements.

The Foundation actively manages these risks through robust internal controls, effective application of relevant policies, engagement with specialist advisers for legal requirements and regular reporting to Trustees.

Financial Risk - relates to the Foundation meeting its financial commitments and long-term objectives, preventing misappropriation of funds and liquidity, market and credit risk.

- Liquidity risk is the risk that the Foundation does not have sufficient available resources to enable it to meet its obligations as they fall due or can only secure them at excessive cost.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (cont.)

Risk management (cont.)

- Market risk is the risk of adverse financial impact due to changes in the fair values of the Foundation's investments as a result of fluctuations in foreign currency exchange rates, interest rates, fund and equity prices. Foreign exchange rate risks exist related to the investments and cash denominated in foreign currencies. Interest rate risk exists related to cash and investments in liquidity funds that are subject to daily interest rate variances. Fund and equity price risk exists due to market driven fluctuations in the investment portfolio values.
- Credit Risk is the risk of a counterparty failing to meet its financial obligations to the Foundation. Investments and cash are only held with financial institutions of an appropriate standing and which have been approved by the Trustees.

The Foundation actively manages these risks through robust internal controls, effective application of relevant policies, regular monitoring and reporting of the financial performance of investments, and regular cash flow and liquidity forecasting.

Grant-making risk - relates to the Foundation's ability to achieve its grant-making objectives.

The Foundation actively manages this risk through annual review of grant-making guidelines, clear due diligence processes, clear decision-making processes and monitoring of grantee performance against project goals.

Reputational risk - relates to the Foundation's ability to respond effectively to any incident that could affect the Foundation's reputation.

The Foundation actively manages this risk through clear terms and conditions in grant agreements, a fraud response plan and the monitoring of the application of grants made through reports received from grantees.

A detailed risk register, which includes details of the mitigating actions, is reviewed annually by the Trustees. The Trustees confirm that they are satisfied with the procedures which have been established to regularly monitor these risks and with the action taken to mitigate exposure to them.

Funds and reserves policy

The Trustees wish to build a substantial Foundation for long-term charitable purposes. As the level and frequency of future donations is uncertain, the Trustees have established an expendable endowment fund to provide sufficient future income and growth to ensure the Foundation's long-term sustainability and meet its overall charitable objectives. The Trustees have targeted an expected level of overall growth (capital and income) from the invested funds and expect to be able to spend around 5% of the average endowment fund over the previous three years for grant-making in the subsequent year, while preserving the real value of the endowment. For 2020, this resulted in a grant-making budget of up to £11,500,000.

The endowment fund represents donations received, invested into the managed portfolio, together with the gains and losses arising from the portfolio. The Trustees have discretion to transfer some or all of the capital of the endowment to the unrestricted fund in circumstances which they consider would justify it, having regard to the need to maintain an appropriate balance between the interests of present and future beneficiaries. The value of the endowment fund at 31 December 2020 was £289,045,458.

The unrestricted fund provides the working capital of the Foundation for grant-making, support costs and other expenditure. The level of funds and estimates of likely future expenditure are monitored and reviewed on an annual basis and transfers are made from the endowment if necessary.

The Foundation's managed portfolio is sufficiently liquid to enable the redemption of amounts to be transferred to the unrestricted fund allowing the Foundation to make grant payments as they fall due. The Trustees have concluded that, based on current conditions and considering their ability to transfer from the expendable endowment, the level of unrestricted funds should generally not exceed the value of one year's forecast charitable expenditure.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (cont.)

Funds and reserves policy (cont.)

A total amount of £6,300,000 was redeemed from the managed portfolio during 2020 (2019: £13,000,000) and £5,228,768 transferred to the unrestricted fund (2019: £11,621,459). The value of unrestricted funds at 31 December 2020 was a deficit of £1,665,697 (2019: deficit of £1,500,503). Any deficit in the unrestricted fund can be funded by redemptions from the managed portfolio and a transfer between funds at the Trustees' discretion.

The restricted fund represents the W L "Bill" Byrnes Global Scholarship Fund, which was established in 2019 as a restricted fund within the Foundation to honour one of the founders of Fidelity International, Bill Byrnes, by receiving, managing and investing donations received in his memory and using these funds to provide scholarships to talented business students from around the world via specific business schools. The value of the restricted fund at 31 December 2020 was £649,122.

Each month, the Foundation prepares rolling cashflow forecasts of its financial position looking fifteen months ahead. Cashflow forecasts for the twelve months from the date of approval of the financial statements have also been considered to reflect a 'worst case scenario'. This assumes: zero investment or donation income; that current grant-making budgets are sustained (based on an annual budget calculated as referenced above); and, together with anticipated operating expenses and payments of existing grant commitments, all expenditure is funded through transfers from the endowment into the unrestricted funds. Based on these forecasts, the Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern and the financial statements are prepared on this basis.

Plans for future periods

The Trustees are committed to continuing to make grants in accordance with the stated objective of the Foundation and to attract grant proposals matching the Foundation's grant criteria. The Trustees aim to set a grant budget at a level that will allow the Foundation to meet its objective, while maintaining a sustainable asset level for future periods.

In the forthcoming period, the Trustees anticipate the overall value of grants awarded to remain at a similar level. While continuing to make grants in fields as outlined in the grant-making guidelines, the Foundation will also continue to review its activity, with a particular focus on developing the strategy for the health and the arts, culture and heritage programmes.

The Trustees are mindful of the ongoing impacts of COVID-19 on the Foundation, its programmes and its grantees. The Foundation will continue to monitor the situation closely and consider adapting its work as appropriate.

Structure, governance and management

The Foundation is a registered charity, number 327899, which is constituted as a charitable trust under a Trust Deed dated 13 July 1988. This Trust Deed authorises Trustees to make decisions regarding the allocation of funds.

Trustees meet three times a year, the Finance & Investment Subcommittee meets twice a year, and the Independent Trustees Subcommittee meets once per year. Various policies and guidelines are in place and are reviewed periodically to ensure that the governance arrangements remain effective and are monitored. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 7 and 17 to the financial statements. From time to time a grant may be awarded to an organisation with which a Trustee is involved in some capacity. Trustees are required to disclose all relevant interests, which are then recorded in a conflicts of interest register, and in accordance with the Foundation's policy withdraw from decisions where any conflict of interest arises.

Any new Trustees are appointed by the settlor, FIL Investment Services (UK) Limited, based on their ability to add value to the Foundation. Newly appointed Trustees are given an induction, during which they are briefed on investments, the grant-making process and the powers and responsibilities of the Trustee board. A brief history of the Trust, copy of Board and sub-committee minutes, annual reports and financial statements, and a copy of the governing Trust Deed are made available to the incoming Trustee.

Structure, governance and management (cont.)

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (cont.)

The Trustees of the Foundation have absolute discretion in the application of any income and capital of the Foundation for any purpose recognised as charitable by the law of England and Wales. Decisions regarding the application of funds and investment strategy are made at meetings of the board of Trustees.

Grant proposals are presented to Trustees at Board meetings and between meetings via email. Decisions are arrived at on the basis of mutual agreement among Trustees. Some grants payable are subject to certain conditions being met by the recipients as outlined in grant offer packs.

The Trustees have established policies and procedures for delegated authority under which a guide budget is made available for small grants which are proposed by Foundation representatives and subject to approval by either one or two Trustees (dependent on grant size). Small grants, amounting in aggregate to no more than 10% of the small grant guide budget, are able to be made at the discretion of the Head of Foundations. The five external Trustees (see note below) also have a small budget for allocation to charitable organisations; these donations fall within the overall grant-making strategy of the Foundation and are not normally made to charities in which the external Trustee is involved in a formal capacity and in such cases proposals are considered by the board.

The Foundation has not carried out any fundraising activities during the year. The Foundation received a number of unsolicited donations during the year to the W L "Bill" Byrnes Global Scholarship Fund.

Day to day management of the Foundation's operations is carried out by FIL Investment Management Limited ("FIML"), which has suitable controls in place. The Foundation also holds shares in FIL, a related party. FIML has been one of the principal donors to the Foundation. Further details are provided in note 17 to the financial statements.

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (cont.)

Reference and administrative information

Trustees

The Trustees of the Foundation who were in office during the year and up to the date of signing the financial statements were:

B R J Bateman (retired 25 March 2020)

A J Bolton

S R Gandhi

P D Goldsbrough

A P Johnson

E B Johnson

E C Johnson IV

J R Millar (retired 15 July 2020)

J W Owen

M A Rogers

S E Walden

All of the Trustees are associated with the principal donors to the Foundation, with the exception of the five external Trustees: S R Gandhi, P D Goldsbrough, J W Owen, M A Rogers and S E Walden.

Registered Office: Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP

Administrators: FIL Investment Management Limited, 4 Cannon Street, London EC4M 5AB
(Head of Foundations: Lenka Setkova)

Investment Advisors: FIL Pensions Management, Beech Gate, Millfield Lane, Lower Kingswood,
Tadworth, Surrey KT20 6RP

Bankers: Barclays Bank PLC, 73-75 Calverley Road, Tunbridge Wells, Kent TN1 2UZ

Solicitors: Bates, Wells and Braithwaite London LLP, 10 Queen Street Place, London
EC4R 1BE

Independent Auditors: PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors,
1 Embankment Place, London WC2N 6RH

Registered Charity Number: 327899

THE FIDELITY UK FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (cont.)

Statement of Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & 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 Foundation and of the incoming resources and application of resources of the Foundation for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards comprising FRS 102, 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 Foundation 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 Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors

The Trustees have re-appointed the auditors, PricewaterhouseCoopers LLP, for the year to 31 December 2021.

Approved by the Trustees on 13 April 2021 and signed on their behalf by:



Trustee: P D Goldsbrough

Date: 13 April 2021

Independent auditors' report to the Trustees of The Fidelity UK Foundation

Report on the audit of the financial statements

Opinion

In our opinion, The Fidelity UK Foundation's financial statements:

- give a true and fair view of the state of the Foundation's affairs as at 31 December 2020 and of its incoming resources and application of resources, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2020; the statement of financial activities and the cash flow statement for the year then ended; and the notes to the financial statements which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 Foundation's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Foundation's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Charities Act 2011 requires us also to report certain opinions and matters as described below.

Trustees' Report

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities in relation to the financial statements, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also 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.

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

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Foundation and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011 and relevant regulations made or having an effect thereunder including the Charities (Accounts and Reports) Regulations 2008, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) by the trustees and those responsible for, or involved in the preparation of the underlying accounting records and financial statements and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates and judgements. Audit procedures performed included:

- Evaluating management's controls designed to prevent and detect irregularities.
- Making enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations.
- Challenging assumptions and judgements made by management in significant accounting estimates and judgements.
- Testing unusual or unexpected journal entries, particularly those impacting revenue.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the Foundation's trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the Foundation; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
13 April 2021

THE FIDELITY UK FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Income and Endowments from:						
Donations	2	3,255,208	20,380	-	3,275,588	894,620
Investments	3	1,083,845	1,487	-	1,085,332	1,127,064
Total		4,339,053	21,867	-	4,360,920	2,021,684
Expenditure on:						
Raising funds (investment management costs)	4	(5,010)	-	-	(5,010)	(10,303)
Charitable activities (including governance costs)	5	(9,728,005)	(5)	(236)	(9,728,246)	(11,738,236)
Total		(9,733,015)	(5)	(236)	(9,733,256)	(11,748,539)
Net (expense)/income and net movement in funds before gains on investments		(5,393,962)	21,862	(236)	(5,372,336)	(9,726,855)
Net gains on investments and cash	15	-	-	20,938,923	20,938,923	31,995,467
Net (expense)/income and net movement in funds		(5,393,962)	21,862	20,938,687	15,566,587	22,268,612
Reconciliation of funds						
Total Funds of the Foundation brought forward at 1 January		(1,500,503)	627,260	273,335,539	272,462,296	250,193,684
Transfer between funds		5,228,768	-	(5,228,768)	-	-
Total Funds of the Foundation carried forward at 31 December		(1,665,697)	649,122	289,045,458	288,028,883	272,462,296

A comparative Statement of Financial Activities can be found in note 18 to the financial statements.

THE FIDELITY UK FOUNDATION

**BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Note	Total Funds 2020 £	Total Funds 2019 £
Fixed assets			
Investments	9	287,570,313	272,222,334
Total fixed assets		287,570,313	272,222,334
Current assets			
Debtors	10	523,092	588,590
Cash at bank	11	9,049,560	8,760,147
Total current assets		9,572,652	9,348,737
Liabilities			
Creditors: amounts falling due within one year	12	(7,487,431)	(7,074,275)
Net current assets/(liabilities)		2,085,221	2,274,462
Total assets less current liabilities		289,655,534	274,496,796
Creditors: amounts falling due after more than one year	12	(1,626,651)	(2,034,500)
Net assets		288,028,883	272,462,296
Endowment Funds		289,045,458	273,335,539
Restricted Income Funds		649,122	627,260
Unrestricted Income Funds		(1,665,697)	(1,500,503)
Total Funds of the Foundation		288,028,883	272,462,296

A comparative Balance Sheet can be found in note 19 to the financial statements

The financial statements on pages 14 to 33 were approved by the Board of Trustees on 13 April 2021 and were signed on its behalf by

Trustee


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P D Goldsbrough

THE FIDELITY UK FOUNDATION

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Cash flows from operating activities:			
Net cash used in operating activities	14	(6,430,533)	(8,061,381)
Cash flows from investing activities:			
Investment income received		1,096,545	1,018,553
Investment management charges paid		(7,567)	(11,520)
Management fee rebates		1,082,968	413,654
Proceeds from sale of investments*		36,261,255	97,481,477
Purchase of investments*		(31,620,005)	(85,600,110)
Net cash provided by investing activities		6,813,196	13,302,054
Change in cash in the year		382,663	5,240,673
Effect of exchange rate changes on cash		(93,250)	(203,455)
Net increase in cash		289,413	5,037,218
Cash at beginning of the year		8,760,147	3,722,929
Cash at the end of the year		9,049,560	8,760,147

*All purchases and sales of investments took place within the Endowment Fund.

The Fidelity UK Foundation does not maintain any debt and therefore a reconciliation of net debt has not been included as the cash movements above provided the same information.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value except for investments which are recorded at fair value as disclosed in note 9. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (the "Charities SORP"), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011.

The Trustees are authorised to apply the capital of the Foundation's endowment to the Foundation's charitable activities. The Foundation's investments are sufficiently liquid so as to permit the redemption of amounts from the investment portfolio to allow the Foundation to make grant payments from unrestricted funds or endowment funds as they fall due. As a result, Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern and the financial statements are prepared on a going concern basis.

Planned redemptions totalling £6,300,000 were made from the investment portfolio during 2020 (2019: £13,100,000), comprising of transfers from the expendable endowment fund to the unrestricted fund with the balance being the portfolio income earned (recorded as unrestricted income in line with Charity Commission guidance), to enable the Foundation to make grant payments as they fall due.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the relevant version of the Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

Judgements

Judgements are made in relation to the method of allocating support costs between grant-making activities and governance costs on the basis of the amount of time spent by Foundation representatives on each activity (see note 1(f) and note 8), in relation to recognising the full amount of multi-year grants at date of approval and in writing back cancelled grants (see notes 1(d) and notes 12 and 13 for more information).

Estimates

The most significant estimates and key assumptions that affect items in the financial statements are related to the valuation of unquoted investments (see note 1(h) and note 9 for more information). With respect to the next reporting period, the year ending 31 December 2021, the most significant areas of uncertainty that affect the carrying value of the assets held by the Foundation are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the Trustees' Annual Report for more information). Estimates are also used in the assessment of exposure to market risk (see note 9).

1 Accounting policies (cont.)

(b) Funds structure

The Foundation funds are made up of an endowment fund, a restricted fund and an unrestricted fund. The endowment fund is an invested expendable endowment enabling the Foundation to maintain a sustainable long-term grant-making programme. The Trustees have discretion to expend some or all of the capital of the expendable endowment in circumstances which they consider would justify it, having regard to the need to maintain an appropriate balance between the interests of present and future beneficiaries. The restricted fund was established during 2019 in relation to the W L "Bill" Byrnes Global Scholarship Fund (see the reserves policy section of the Trustees' Annual Report for more detail). The unrestricted fund is available for use at the discretion of the Trustees in furtherance of the general activities of the Foundation.

Transfers from the endowment fund to the unrestricted fund, arising from the Trustees' decision to apply the accumulated capital of the endowment to the Foundation's charitable activities, are recognised when investments are sold, and the sales proceeds are redeemed from the Foundation's investment portfolio.

(c) Income recognition

All income is recognised when the Foundation has entitlement to the income, it is probable that the income will be received, and the amount of income can be measured reliably.

Donations represent amounts received by the Foundation or where the Foundation has been notified that a donation has been irrevocably committed to be made to it during the financial year and include any associated tax credits.

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 Foundation; this is normally upon notification of the interest paid or payable by the bank.

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

Grants are payments made to third parties in the furtherance of the charitable objectives of the Foundation. Grants are recognised in the financial statements as liabilities after they have been approved by Trustees or by delegation, the recipients have been notified of the award (formally or informally) and it is fully expected that any terms and conditions to be fulfilled by the grantee(s) will be met. In these circumstances there is a valid expectation by the recipients that they will receive the grant. Once recognised in the financial statements, grants are only written back if the related project is cancelled or if there is a material change in the scope of the project meaning that it no longer meets the terms of the grant agreement. If the scope or timing of a project significantly changes but the Trustees still want to fund it, the related grant is written back and disclosed instead as a contingent liability to reflect the uncertainty around the timing of the payment.

Provisions for grants are made when recipients have been notified of the award but there is uncertainty as to the timing of the grant or the amount of grant payable.

(e) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1 Accounting policies (cont.)

(f) Allocation of support costs

Governance costs are a type of support costs and comprise all costs involving the public accountability of the Foundation and its compliance with regulation and good practice. These costs include statutory audit and legal fees together with an apportionment of the support costs considered to be incurred in complying with statutory requirements, such as Trustees' meetings and the preparation of financial statements (see note 7).

Other support costs have been allocated between governance costs and grant-making activities on a 25:75 basis, reflecting an estimation of the time spent by Foundation representatives on the respective activities (as disclosed in note 1 (a)). Those support costs attributed to grant-making activities have subsequently been allocated between programme areas based on the number of grants awarded in each category. See notes 6 and 8 for further details.

(g) Management fees and rebates

Gross investment management fees are charged against investment fund prices with investment valuations being shown net of these charges. The Foundation receives rebates of a portion of the investment management charges, which are received in cash and immediately reinvested into the managed portfolio. Management fee rebates are presented as realised gains on the managed portfolio and not as donated services.

(h) Fixed asset investments

Investments are a form of basic financial instrument.

Quoted investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Unquoted investments are stated at current value based on expected realisable value at the balance sheet date. The current value of FIL shares and ERS shares has been estimated to be equal to the value communicated by FIL and ERS, based on net asset values ("NAV") per share approved by the directors of FIL and ERS. The unquoted investments in FIL and ERS can only be redeemed at the discretion of FIL and ERS and only at the quarterly NAV. FIL and ERS also have the right to apply restrictions to defer the payment of significant redemption proceeds; however, the Trustees do not foresee a circumstance under which this would be enforced, and the Trustees do not believe that there are any restrictions that would materially affect the fair value of the investment. Based on these investment characteristics, NAV is determined to be the best approximation of fair value. The current values of the holdings in Fidelity UK Real Estate Fund have been based on the NAV of units held and are provided by FIL Investment Services (UK) Limited in its capacity as Authorised Corporate Director of the fund. The current values of the holdings in Fidelity Common Contractual Funds are derived from the sum of the quoted prices of the investments in the underlying funds and are provided by FIL Fund Management (Ireland) Limited in its capacity as Manager of the fund.

The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or subsectors. More detailed disclosures relating to investments and risk are included in the Trustees' Annual Report.

(i) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (cont.)

1 Accounting policies (cont.)

(j) Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is not considered probable; or

a present obligation following a grant offer where the amount has not been communicated in the grant offer letter and that amount cannot be estimated reliably.

(k) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

(l) Taxation

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, if these profits are applied solely for charitable purposes.

2 Donations

	2020	2019
	£	£
Corporate donations	3,248,755	-
Donations to the W L "Bill" Byrnes Global Scholarship Fund	20,380	893,787
Other donations	6,453	833
	<u>3,275,588</u>	<u>894,620</u>

3 Investment income

	2020	2019
	£	£
Listed equities	142,106	171,654
Mutual funds	802,689	770,102
Real Estate funds	125,473	149,495
Bank interest	804	3,541
	<u>1,071,072</u>	<u>1,094,792</u>
 Fidelity Cash Funds	 14,260	 32,272
	<u>1,085,332</u>	<u>1,127,064</u>

4 Raising funds

	2020	2019
	£	£
Investment management costs:		
Custodian fee	<u>5,010</u>	<u>10,303</u>

5 Charitable activities

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total Funds 2020 £
Grant-making activities (note 6)	9,509,236	5	236	9,509,477
Governance costs (note 7)	218,769	-	-	218,769
	<u>9,728,005</u>	<u>5</u>	<u>236</u>	<u>9,728,246</u>

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total Funds 2019 £
Grant-making activities (note 6)	11,252,572	250,005	1,228	11,503,805
Governance costs (note 7)	225,911	8,520	-	234,431
	<u>11,478,483</u>	<u>258,525</u>	<u>1,228</u>	<u>11,738,236</u>

6 Grant-making activities

All grants were made to institutions; no grants were made to individuals. Grant support costs have been allocated based on the number of grants awarded in each category.

Grants approved in 2020	Number of grants	Grant value £	Support costs (note 8) £	Total £
Arts, Culture and Heritage	4	359,073	40,288	399,361
Health	14	3,570,753	141,006	3,711,759
Education	15	2,869,632	151,079	3,020,711
Community Development	16	2,855,731	161,150	3,016,881
Cross Sector	1	200,693	10,072	210,765
	<u>50</u>	<u>9,855,882</u>	<u>503,595</u>	<u>10,359,477</u>
Grants from W L "Bill" Byrnes Global Scholarship Fund	-	-	-	-
	<u>50</u>	<u>9,855,882</u>	<u>503,595</u>	<u>10,359,477</u>
Grants cancelled or amended		(500,000)	-	(500,000)
Grants returned		(350,000)	-	(350,000)
Total		<u>9,005,882</u>	<u>503,595</u>	<u>9,509,477</u>

See note 20 for a full list of grants approved in year.

6 Grant-making activities (cont.)

Grants approved in 2019	Number of grants	Grant value	Support costs (note 8)	Total
		£	£	£
Arts, Culture and Heritage	16	2,343,281	162,399	2,505,680
Health	14	3,648,222	142,099	3,790,321
Education	14	2,676,148	142,099	2,818,247
Community Development	14	1,680,265	142,099	1,822,364
Conservation	1	290,370	10,150	300,520
Cross Sector	1	132,892	10,150	143,042
	60	10,771,178	608,996	11,380,174
Grants from W L "Bill" Byrnes Global Scholarship Fund	2	250,000	5	250,005
	62	11,021,178	609,001	11,630,179
Grants cancelled or amended		(83,774)	-	(83,774)
Grants returned		(42,600)	-	(42,600)
Total		10,894,804	609,001	11,503,805

7 Governance costs

	2020	2019
	£	£
Trustee expenses	61	807
Legal fees	21,189	8,520
Audit fees	29,655	22,104
Support costs (note 8)	167,864	203,000
	218,769	234,431

The eleven Trustees in post during 2020 received no remuneration from the Foundation during the year (2019: the eleven Trustees in post received no remuneration from the Foundation). One Trustee was reimbursed for travel and subsistence expenses totalling £61 during the year (2019: one Trustee was reimbursed a total of £807).

Audit fees represent £19,894 (net of VAT) for the audit of the 2020 financial statements and an additional £4,819 (net of VAT) relating to fees incurred during 2020 (for the completion of the audit of the 2019 financial statements) (2019: £18,420). No other services were provided by the auditors.

In accordance with SORP paragraph 6.15, the audit fee is the amount paid directly by the Foundation and the fee level the Foundation is willing to pay in the open market. This is less than the total allocation of audit fees relating to the Foundation's financial statements by PricewaterhouseCoopers LLP, who are also the auditor of other FIL related entities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (cont.)

8 Support costs

	Allocated to grant-making activities £	Allocated to governance costs £	Total 2020 £
Administration and management costs	503,595	167,864	671,459
	Allocated to grant-making activities £	Allocated to governance costs £	Total 2019 £
Administration and management costs	609,001	203,000	812,001

Support costs have been allocated between grant-making activities and governance costs on a 75:25 basis. This reflects a judgment on the amount of time spent by Foundation representatives on the respective activities. See note 17 for details of how administration and management services are provided.

9 Investments

Movement in Investments during 2020

	Listed Equities	Mutual Funds	Real Estate Funds	Other Equities	Total
	£	£	£	£	£
Market value b/f 1 January 2020	8,276,315	175,758,723	7,097,730	81,089,566	272,222,334
Additions at cost	-	31,620,005	-	-	31,620,005
Disposal proceeds	-	(36,261,255)	-	-	(36,261,255)
Realised (losses)/gains on disposals	(3,021)	8,241,098	-	-	8,238,077
Unrealised FX loss	-	-	-	(2,502,830)	(2,502,830)
Unrealised investment (losses)/gains	(287,579)	1,493,461	(197,022)	13,245,122	14,253,982
Market value as at 31 December 2020	7,985,715	180,852,032	6,900,708	91,831,858	287,570,313

At 31 December 2020, other equities were comprised of Common Shares in FIL Limited and Common and Preferred Shares in Eight Roads Shareholdings Limited.

Movement in Investments during 2019

	Listed Equities	Mutual Funds	Real Estate Funds	Other Equities	Total
	£	£	£	£	£
Market value b/f 1 January 2019	6,898,146	166,831,092	7,101,935	71,788,822	252,619,995
Additions at cost	-	85,600,110	-	-	85,600,110
Disposal proceeds	-	(97,481,477)	-	-	(97,481,477)
Realised gains on disposals	-	13,129,219	-	-	13,129,219
Unrealised FX loss	-	-	-	(2,770,251)	(2,770,251)
Unrealised investment gains/(losses)	1,378,169	7,679,779	(4,205)	12,070,995	21,124,738
Market value as at 31 December 2019	8,276,315	175,758,723	7,097,730	81,089,566	272,222,334

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (cont.)

9 Investments (cont.)

At 31 December 2019, other equities were comprised of Common Shares in FIL Limited and Common and Preferred Shares in Eight Roads Shareholdings Limited.

Recognised fair value measurements

To provide an indication about the reliability of the inputs used in determining fair value, the Foundation has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

	Level 1	Level 2	Level 3	Total 2020
	£	£	£	£
Listed Equities	7,985,715	-	-	7,985,715
Mutual Funds	117,486,662	63,365,370	-	180,852,032
Real Estate Funds	-	-	6,900,708	6,900,708
Other Equities	-	-	91,831,858	91,831,858
Total	125,472,377	63,365,370	98,732,566	287,570,313

	Level 1	Level 2	Level 3	Total 2019
	£	£	£	£
Listed Equities	8,276,315	-	-	8,276,315
Mutual Funds	114,368,781	61,389,942	-	175,758,723
Real Estate Funds	-	-	7,097,730	7,097,730
Other Equities	-	-	81,089,566	81,089,566
Total	122,645,096	61,389,942	88,187,296	272,222,334

There were no transfers between any of the levels for recurring fair value measurements during the year (2019: nil).

The Foundation's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Exposure to market risk

The values of the investments are subject to foreign currency risk related to amounts denominated in currencies other than GBP, mainly being the US Dollar. If the US Dollar weakened as compared to GBP by 5%, the investment values would reduce by c. £6m (2019: £6m). The values of the investments are also subject to market risk. If the equity markets experienced a 5% downturn, the investment values would reduce by c. £8m (2019: £7m).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (cont.)

10 Debtors

	2020	2019
	£	£
Management fee rebates	364,568	404,593
Dividend receivable	158,524	183,997
	<u>523,092</u>	<u>588,590</u>

11 Cash at bank

	2020	2019
	£	£
Cash at bank	<u>9,049,560</u>	<u>8,760,147</u>

12 Creditors

	2020	2019
	£	£
Amounts falling due within one year:		
Grants	7,417,130	6,892,431
Accrued administration services	43,092	143,378
Other creditors	27,209	38,466
	<u>7,487,431</u>	<u>7,074,275</u>
Amounts falling due after more than one year:		
Grants	1,626,651	2,034,500
	<u>9,114,082</u>	<u>9,108,775</u>

Movement in grant commitments during the year:

	2020	2019
	£	£
Grant commitments recognised at start of year	8,926,931	6,250,054
New grant commitments charged to SoFA in year (note 6)	9,855,882	11,021,178
Grants cancelled/amended during the year	(500,000)	(83,774)
Grants paid during the year	(9,239,032)	(8,260,527)
Amount of grant commitments recognised at end of year	<u>9,043,781</u>	<u>8,926,931</u>

13 Contingent Liabilities

The Foundation does not have any contingent liabilities (2019: nil) that are not recognised in the financial statements.

14 Reconciliation of net movement in funds to net cash flow from operating activities

	2020	2019
	£	£
Net movement in funds (excluding endowment)	(5,372,100)	(9,733,755)
Less: investment income earned	(1,071,072)	(1,094,792)
Add: investment management costs	5,010	10,303
Increase in creditors	7,629	2,756,863
Net cash outflow from operating activities	<u>(6,430,533)</u>	<u>(8,061,381)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (cont.)

15 Net gain/(loss) on investments and cash

	2020	2019
	£	£
Unrealised investment gain	14,253,982	21,124,738
Realised gain on disposals	8,238,078	13,129,219
Realised gain from rebates	1,042,942	722,301
Unrealised FX losses on cash	(93,250)	(203,455)
Unrealised FX losses on investments	(2,502,830)	(2,770,251)
Other exchange rate gains/(losses)	1	(7,085)
Net gains on investments	<u>20,938,923</u>	<u>31,995,467</u>

16 Analysis of movement in funds

	Balance 01 January 2020	Income	Expenditure	Net gain on investments	Transfer between funds	Balance 31 December 2020
	£	£	£	£	£	£
Unrestricted funds	(1,500,503)	4,339,053	(9,733,015)	-	5,228,768	(1,665,697)
Restricted funds	627,260	21,867	(5)	-	-	649,122
Endowment funds	273,335,539	-	(236)	20,938,923	(5,228,768)	289,045,458
Total funds	<u>272,462,296</u>	<u>4,360,920</u>	<u>(9,733,256)</u>	<u>20,938,923</u>	<u>-</u>	<u>288,028,883</u>

	Balance 01 January 2019	Income	Expenditure	Net gain on investments	Transfer between funds	Balance 31 December 2019
	£	£	£	£	£	£
Unrestricted funds	(2,760,947)	1,127,771	(11,488,786)	-	11,621,459	(1,500,503)
Restricted funds	-	893,913	(258,525)	(8,128)	-	627,260
Endowment funds	252,954,631	-	(1,228)	32,003,595	(11,621,459)	273,335,539
Total funds	<u>250,193,684</u>	<u>2,021,684</u>	<u>(11,748,539)</u>	<u>31,995,467</u>	<u>-</u>	<u>272,462,296</u>

See Funds and Reserves Policy section of the Trustees' Annual Report for details of the transfers between funds.

17 Related party transactions

The Foundation received a donation of £3,248,755 from FIL Limited ("FIL") in 2020 (2019: £464,040). FIL is a company with three directors in common with the Foundation's Trustees.

The Foundation investments include £195,738,455 of funds held in an investment portfolio managed by FIL Pensions Management ("FPM") (2019: £191,132,768). FPM is a subsidiary of FIL. Within the investment portfolio, underlying funds valued at £109,199,145 (2019: £105,544,327) are managed by subsidiaries of FIL. A portion of the annual management charge totalling £1,032,261 (2019: £658,328) was rebated to the Foundation during the year. Income in 2020 from these investments was £957,271 (2019: £938,307). At 31 December 2020, an amount of £364,568 was receivable from FPM in relation to rebated management charges (2019: £404,593) and an amount of £158,524 was receivable in relation to investment income (2019: £183,997).

Investments also include £37,482,704 of Common Shares in FIL (2019: £28,109,110 of Common shares in FIL). Dividend income in 2020 from these investments was £nil (2019: £nil).

Cash at bank and in hand includes £4,446,157 (2019: £7,805,896) of units in a fund of Fidelity Institutional Liquidity Fund plc, which is managed by FIL Fund Management (Ireland) Limited, a wholly owned subsidiary of FIL.

The Foundation does not employ any staff directly. Management, overhead and administration expenses of the Foundation are initially borne by FIL Investment Management Limited ("FIML") and subsequently recharged through an administration services agreement set up with the Foundation. Costs attributed to the Foundation and recharged for the year were £662,488 including VAT (2019: £773,686). FIML is a wholly owned subsidiary of FIL. As at 31 December 2020, an amount of £52,637 was payable to FIML in relation to administration expenses (2019: £143,378).

FIML also provides administration services to Fidelity Bermuda Foundation, Fidelity Asia Pacific Foundation and Fidelity Europe Foundation, separate charitable trusts (formerly one Foundation known as Fidelity International Foundation) which each have five Trustees in common with the Foundation. There have been no transactions between the Foundation and any of the other foundations during the year and there are no balances outstanding between the four entities.

18 Statement of Financial Activities for the year ended 31 December 2019

	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total Funds 2019 £
Income and Endowments from:					
Donations	2	833	893,787	-	894,620
Investments	3	1,126,938	126	-	1,127,064
Total		1,127,771	893,913	-	2,021,684
Expenditure on:					
Raising funds (investment management costs)	4	(10,303)	-	-	(10,303)
Charitable activities (including governance costs)	5	(11,478,483)	(258,525)	(1,228)	(11,738,236)
Total		(11,488,786)	(258,525)	(1,228)	(11,748,539)
Net (expense)/income and net movement in funds before losses and gains on investments		(10,361,015)	635,388	(1,228)	(9,726,855)
Net (loss)/gain on investments and cash	15	-	(8,128)	32,003,595	31,995,467
Net (expense)/income and net movement in funds		(10,361,015)	627,260	32,002,367	22,268,612
Reconciliation of funds					
Total Funds of the Foundation brought forward at 1 January		(2,760,947)	-	252,954,631	250,193,684
Transfer between funds		11,621,459	-	(11,621,459)	-
Total Funds of the Foundation carried forward at 31 December		(1,500,503)	627,260	273,335,539	272,462,296

THE FIDELITY UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (cont.)

19 Balance Sheets as at 31 December 2020 and 31 December 2019 analysed by fund

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total Funds 2020 £
Fixed assets	-	-	287,570,313	287,570,313
Investments	-	-	287,570,313	287,570,313
Total fixed assets				
Current assets	158,524	-	364,568	523,092
Debtors	7,114,861	824,122	1,110,577	9,049,560
Cash at bank and in hand	7,273,385	824,122	1,475,145	9,572,652
Total current assets				
Liabilities				
Creditors: amounts falling due within one year	(7,437,431)	(50,000)	-	(7,487,431)
Net current (liabilities)/assets	(164,046)	774,122	1,475,145	2,085,221
Total assets less current liabilities	(164,046)	774,122	289,045,458	289,655,534
Creditors: amounts falling due after more than one year	(1,501,651)	(125,000)	-	(1,626,651)
Net (liabilities)/assets	(1,665,697)	649,122	289,045,458	288,028,883
	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Endowment Funds 2019 £	Total Funds 2019 £
Fixed assets				
Investments	-	-	272,222,334	272,222,334
Total fixed assets	-	-	272,222,334	272,222,334
Current assets				
Debtors	183,997	-	404,593	588,590
Cash at bank and in hand	7,199,275	852,260	708,612	8,760,147
Total current assets	7,383,272	852,260	1,113,205	9,348,737
Liabilities				
Creditors: amounts falling due within one year	(7,024,275)	(50,000)	-	(7,074,275)
Net current assets	358,997	802,260	1,113,205	2,274,462
Total assets less current liabilities	358,997	802,260	273,335,539	274,496,796
Creditors: amounts falling due after more than one year	(1,859,500)	(175,000)	-	(2,034,500)
Net (liabilities)/assets	(1,500,503)	627,260	273,335,539	272,462,296

20 Grants awarded during 2020

Health

During the course of the year 14 grants were given to organisations active in the field of Health with a total value of £3,570,753 (2019: 14 grants, total value £3,648,222).

Grantee <i>Description of Grant</i>	Amount of Grant	Type of Support
Mental Health Innovations <i>Towards staff costs associated with coaching, volunteer management, clinical supervision and data analysis to expand capacity of crisis text line</i>	£600,000	Core Costs/Programme Costs
Anna Freud Centre <i>Development of technology to expand mental health services and information</i>	£500,000	Information Technology
Mind (the National Association for Mental Health) <i>Technology development to enable Mind network transition from face-to-face to online service delivery</i>	£468,000	Information Technology
Parkinson's UK <i>Digital development to expand and enhance support for people affected by Parkinson's disease</i>	£383,000	Information Technology
Stroke Association <i>Development of client relationship management system to enhance fundraising and increase reach</i>	£315,000	Information Technology
CLIC Sargent <i>Development of digital tiered model of care to support children and young people with cancer</i>	£300,000	Information Technology
Best Beginnings <i>Development of digital services - the Baby Buddy app - to support parents whose children are at risk of poor health outcomes</i>	£280,000	Information Technology
Brook <i>Development of digital services to support for young people with sexual health and wellbeing</i>	£250,000	Information Technology
Young Epilepsy <i>Development of digital services to provide tailored support for young people with epilepsy</i>	£194,500	Information Technology
Changing Faces <i>Technology development to increase reach and voluntary income</i>	£84,384	Information Technology
Young Minds <i>Towards consultancy costs and Data Officer post to expand mental health services for young people</i>	£80,869	Organisational Development
University of Edinburgh <i>Towards trialling drugs and devices for the prevention and treatment of respiratory failure of patients with COVID-19</i>	£75,000	Programme Costs
The Pepper Foundation <i>General contribution</i>	£30,000	Core Costs/Programme Costs
St. Joseph's Hospice <i>General contribution</i>	£10,000	Core Costs/Programme Costs
Total	£3,570,753	

THE FIDELITY UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (cont.)

20 Grants awarded during 2020 (cont.)

Education

During the course of the year 15 grants were given to organisations active in the field of Education with a total value of £2,869,632 (2019: 14 grants, total value £2,676,148).

Grantee <i>Description of Grant</i>	Amount of Grant	Type of Support
IntoUniversity* <i>Towards key posts to enable expansion and provide additional academic support following school closures</i>	£435,990	Core Costs/Programme Costs
Ambition Institute* <i>Development of professional development app. for new and early career teachers</i>	£334,855	Information Technology
The Guide Association <i>Digital platform to recruit, train and manage volunteers</i>	£300,000	Information Technology
The Ditchley Foundation <i>Video conferencing equipment to extend reach and enhance income generation</i>	£265,000	Equipment
The Sutton Trust* <i>Towards salary of new Data Analyst post to enhance research capability and impact</i>	£240,956	Core Costs/Programme Costs
Action Tutoring Ltd* <i>Towards technology and staff costs to expand online tutoring</i>	£238,810	Information Technology
The Tutor Trust* <i>Organisational and technology development to support expansion of tutoring service</i>	£206,000	Information Technology
upReach* <i>Online network to enhance employment outcomes and towards salary of Chief of Staff post</i>	£174,599	Information Technology
The Sutton Trust* <i>Student management platform to improve user engagement and support growth</i>	£155,000	Information Technology
Future First* <i>Alumni mentoring platform to enhance career and university orientation programme</i>	£153,281	Information Technology
Career Ready* <i>Digital platform to scale employability programmes for young people</i>	£142,064	Information Technology
Impetus* <i>Towards National Tutoring Service Pilot</i>	£100,000	Organisational Development
NowTeach* <i>Consultant to define and develop capabilities and capacity required to deliver expansion</i>	£83,077	Organisational Development
The Literacy Pirates Limited* <i>Towards integration of a new technology platform and associated staff costs to support online learning in reading and writing</i>	£20,000	Information Technology
The Difference* <i>Towards consultancy and internal costs for development of a three-year strategy</i>	£20,000	Organisational Development
Total	£2,869,632	

THE FIDELITY UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (cont.)

20 Grants awarded during 2020 (cont.)

Community Development

During the course of the year 16 grants were given to organisations active in the field of Community Development with a total value of £2,855,731 (2019: 14 grants, total value £1,680,265).

Grantee <i>Description of Grant</i>	Amount of Grant	Type of Support
YouthNet UK (operating as The Mix)* <i>Development of an online volunteering solution to increase volunteering capacity at The Mix and other youth focused charities</i>	£360,895	Information Technology
SafeLives <i>Towards staff costs for posts critical to coordinating sector-wide response to domestic abuse</i>	£300,000	Core Costs/Programme Costs
Bridge House Estates <i>Contribution to the London Community Response Fund</i>	£300,000	Re-granting
Onside Youth Zones* <i>Technology for Talent Academies to attract and retain talent across the Youth Zone network</i>	£272,618	Organisational Development
Place2Be* <i>Towards two new posts to support expansion to help more children with mental health</i>	£250,278	Organisational Development
Age UK <i>Towards national telephone advice line</i>	£250,000	Core Costs/Programme Costs
The Frontline Organisation* <i>Development of fellowship programme to enhance impact on social work through alumni network</i>	£250,000	Organisational Development
The Venture Trust* <i>Organisational and technology development to improve impact management</i>	£175,000	Information Technology
School-Home Support Service (UK)* <i>Towards building organisational capacity and enhancing sustainability, and to provide additional safeguarding support following school closures</i>	£150,000	Organisational Development
Kent Community Foundation <i>Grant-making to charities in Kent</i>	£150,000	Re-granting
Community Foundation for Surrey <i>Grant-making to charities in Surrey</i>	£150,000	Re-granting
Shelter, National Campaign for Homeless People Ltd* <i>Design of a digital solution to triage requests for housing information and advice to increase reach and improve access</i>	£101,000	Information Technology
Shared Lives Plus Limited* <i>Technology to develop outcome measuring tools for social care model</i>	£95,940	Information Technology
Vauxhall City Farm <i>Refurbishment and upgrade of riding school</i>	£20,000	Buildings
WomenCentre <i>Towards capital costs and funding a domestic abuse service in Calderdale</i>	£20,000	Buildings/Programme Costs
Community Links Trust Ltd <i>Pilot music project to support young people with mental health</i>	£10,000	Core Costs/Programme Costs
Total	£2,855,731	

Conservation

No grants were given to Conservation projects during 2020 (2019: 1 grant of £290,370).

THE FIDELITY UK FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (cont.)

20 Grants awarded during 2020 (cont.)

Arts, Culture & Heritage

During the course of the year 4 grants were given to organisations in the field of Arts, Culture and Heritage with a total value of £359,073 (2019: 16 grants, total value £2,343,281).

Grantee <i>Description of Grant</i>	Amount of Grant	Type of Support
City & Guilds of London Art School <i>Refurbishment of facilities for specialist books and paper conservation courses</i>	£151,293	Buildings
London Academy of Music & Dramatic Art <i>Technology development to create efficiencies and support remote student learning</i>	£122,780	Information Technology
World Heart Beat Music Academy <i>Towards the fit-out of a new music education and performance venue to increase access to music tuition</i>	£75,000	Buildings
The Walpole Society <i>Towards the annual publication of documents on the history of British art</i>	£10,000	Core Costs/Programme Costs
Total	£359,073	

Cross Sector

During the course of the year 1 grant of £200,693 was given to a Cross Sector project (2019: 1 grant of £132,892).

Grantee <i>Description of Grant</i>	Amount of Grant	Type of Support
The Media Trust <i>Towards salary costs of Head of Digital and Head of Marketing posts to strengthen online training and organisational capacity</i>	£200,693	Core Costs/Programme Costs
Total	£200,693	

In 2020, the Foundation merged the 'education' and 'community development' programmes to focus on 'enabling disadvantaged children and young people fulfil their potential'. Grants marked * fall within this programme area.

Grants from the W L "Bill" Byrnes Global Scholarship Fund

No grants were made from the W L "Bill" Byrnes Global Scholarship Fund during 2020 (2019: 2 grants, total value £250,000).