

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and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.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.

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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.

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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).

THE FIDELITY UK FOUNDATION

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

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 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	1,869	2,346
	<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
	<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>

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)	<u>222,511</u>	<u>188,981</u>
	<u>257,289</u>	<u>255,968</u>

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).

THE FIDELITY UK FOUNDATION

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.

THE FIDELITY UK FOUNDATION

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

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

THE FIDELITY UK FOUNDATION

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

THE FIDELITY UK FOUNDATION

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

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

THE FIDELITY UK FOUNDATION

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

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

THE FIDELITY UK FOUNDATION

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	

THE FIDELITY UK FOUNDATION

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

THE FIDELITY UK FOUNDATION

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

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