

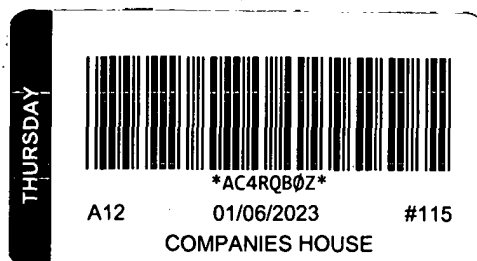
FIL Investment Management Limited

Company number: 2349713

Annual Report and Financial Statements

Year ended

31 December 2022



FIL Investment Management Limited

**Annual report and financial statements
for the year ended 31 December 2022**

Contents

Page:

1	Strategic report
5	Directors' report
9	Independent auditors' report
13	Profit and loss account
14	Statement of comprehensive income
15	Balance sheet
16	Statement of changes in equity
17	Notes forming part of the financial statements

Directors

M Heath
R Musgrove
S Nelson

Secretary and registered office

R Musgrove, 4 Cannon Street, London, United Kingdom, EC4M 5AB

Company number

2349713

Independent Auditors

PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT

FIL Investment Management Limited

Strategic report for the year ended 31 December 2022

The directors present their strategic report for FIL Investment Management Limited ("the company") for the year ended 31 December 2022.

Principal activities

The company provides administration and other services primarily to companies within the FIL Holdings (UK) Limited ("FHL") group, of which the company is a subsidiary.

Business review and position

The results for the company are set out on page 13. The company's profit for the financial year is £13,484,000 (2021: £7,946,000).

The company's balance sheet is set out on page 15 and shows net current liabilities of £27,089,000 (31 December 2021: net current assets of £14,396,000) and shows net assets of £63,929,000 (2021: £57,148,000) at 31 December 2022.

Key performance indicators ("KPIs")

As a service company, KPIs of the business relate to cost. Employee costs are the single largest category of cost. Both administrative expenses and headcount numbers are monitored closely and have increased by 12% on prior year. The total employee cost for the year ended 31 December 2022 was £438,918,000 (2021: £446,186,000) and the average monthly number of employees was 3,231 (2021: 2,888).

Development of the business

The company's activities are expected to continue during the coming year. Future levels of growth are dependent on market strength and investor confidence.

Risk management

The company is exposed to three broad types of risk: operational, strategic and financial. All risks are actively managed by Senior Management and overseen by Boards, dedicated committees and oversight functions.

Operational risk

Operational risk is the risk of client harm, including potential financial loss arising from inadequate or failed internal processes, people or systems, or from external events. It is the largest risk to which the FIL Holdings (UK) Limited group of companies ("FHL group"), of which the company is a subsidiary, is exposed.

Operational risk arises from failures in the management of processes or systems which may in extreme circumstances affect operational resilience by disrupting key services to clients. This can result in errors, the inability to deliver change adequately, unavailability of systems, or the loss of data. It can also arise from a failure to identify and manage changes in law or regulations or to take appropriate measures to protect client assets. The FHL group is also exposed to external threats, in particular, information security risks, financial crime risks, supplier and vendor risks, and risks to business continuity arising from new pandemics or disruptions to energy supplies. These risks can have an impact on the FHL group's clients, its reputation and its balance sheet.

The FHL group is actively managing all of these risks and employs a number of methods for mitigating operational risk, principally the implementation of systems and controls, as well as the recruitment, management and well-being of employees with the requisite skills. The FHL group actively plans for continuity scenarios and continues to apply a hybrid operating model that combines office and home working in order to provide a seamless and robust service to clients. Where services are provided by third parties, the FHL group performs due diligence processes and monitors and manages supplier performance. Risk assessments are performed regularly to identify and re-assess risks, controls and appropriate mitigation action.

FIL Investment Management Limited

Strategic report
for the year ended 31 December 2022 (*continued*)

Risk management (*continued*)

Strategic risk

Strategic risk is the risk associated with an inappropriate or non-performing business strategy. This risk type includes risks arising from external market dynamics, such as macro-economic or industry developments, failure to implement or act upon strategic plans, and poor business or investment performance. Climate risks and Environmental, Social and Governance ("ESG") risks are managed as part of the strategic risk portfolio. Strategic risks are re-assessed half-yearly at a minimum and actively managed by senior management.

Financial risk

Financial risk may arise in the course of business and includes liquidity risk, market risk and credit risk. The company does not undertake principal trading nor does it actively take on credit, market or liquidity risks, other than incidentally to its operational activity. In addition, the company is exposed to pension risk, which is the risk that the liabilities of the defined benefit pension plan (for former employees) are not fully funded. This risk is deemed immaterial.

Liquidity risk

Liquidity risk is the risk that the company, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due, or can secure them only at excessive cost. The FHL group carries out day-to-day monitoring, management and reporting of the FHL group liquidity, ensuring that it complies at all times with limits set by the FHL group (which are designed to ensure that the organisation remains financially resilient at all times).

Market risk

Market risk is the risk of adverse financial impact due to changes in fair values of financial instruments from fluctuations in foreign currency exchange rates, interest rates, and equity prices. Changes in interest rates have a minor impact on income from deposits with the company's banks, and investments in liquidity funds, which are used to diversify credit risk. Foreign exchange rate risk exists on revenues derived from foreign denominated assets and costs denominated in foreign currencies.

Credit risk

Credit risk is the risk of a counterparty failing to meet its financial obligations to the company when due. The FHL group, makes use of credit ratings from major credit rating agencies, has access to the research of brokerage firms and has implemented policies that require credit checks on potential counterparties, where appropriate.

The company restricts exposure in financial instruments to counterparties approved in accordance with policies set by FIL Limited ("FIL"). Surplus cash is carefully considered for placement with liquidity funds (all AAAm and/or Aaa-mf) to improve credit risk exposure and to reduce direct exposures to banks. Cash balances are held only with banks with whom the FIL group has strong, well-established relationships. Counterparty limits are used to manage the counterparty exposure.

Statement on Section 172(1) of the Companies Act

Section 172 of the Companies Act 2006 ("s172") places a duty on directors to promote the success of the company for the benefit of shareholders as a whole, having regard to a number of broader matters including the likely consequence of decisions for the long term, the need to act fairly between members of the company, and the company's wider relationships.

FIL Investment Management Limited

Strategic report
for the year ended 31 December 2022 (*continued*)

Statement on Section 172(1) of the Companies Act (*continued*)

The directors have acted in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of the company's shareholder. In doing so, they have had regard to a range of matters, including the impact of decisions in the long term, the interests of key stakeholders including employees, suppliers, customers, the community and the environment, and the reputation of the company for high standards of business conduct.

The FHL group's purpose and goals are set out in its Corporate Governance Statement contained in the Directors' Report within the FHL group's financial statements. As part of the FHL group, the company shares the FHL group's purpose and goals. The directors makes decisions with regard to the long-term interests of its sole shareholder (FIL Holdings (UK) Limited) with due regard to the impact of decisions on all relevant stakeholders. In working towards the company's goals, the directors have had due regard for the key stakeholders of the company and the FHL group, as set out as follows.

Employees

Key considerations around the company's employees are discussed in the Engagement with Employees section of the Directors' Report on pages 6 to 7.

Customers

The company can only succeed by meeting the need of its current and prospective Customers - well summarised by FIL's overall mission 'working together to build better financial futures'. More detail on engagement with Customers is included within the Engagement with Key Stakeholders section of the Directors' Report on page 7.

Suppliers

Key considerations around suppliers are discussed in the Engagement with Key Stakeholders section of the Directors' Report on page 7.

Communities and environment

More detail on engagement with the communities where the company operates and on the broader Environment is included within the Stakeholder Engagement with other Stakeholders section of the Directors' Report on page 7.

Reputation and high standards of business conduct

The reputation of the FHL group and the company is vital to the confidence of customers and is a significant focus for the Board. As set out in the Corporate Governance Statement in the FHL group's financial statements, the FHL group seeks to operate to the highest standards of conduct. All staff employed by the company are subject to the Fidelity International Code of Conduct and Ethics, which emphasises the company's commitment to keeping its reputation untarnished and provides a framework for employees to manage their personal affairs in a way consistent with that reputation, and this is further supported by the Whistleblowing Policy.

War in Ukraine

We continue to monitor the war in Ukraine very closely, with relevant teams across Fidelity International meeting to assess ongoing impacts, reacting swiftly where necessary to meet the needs of our clients. We have well established processes in place to deal with market volatility and robust Business Continuity Plans in place to deal with fund liquidity, cyber related issues and other operational risks should they arise.

FIL Investment Management Limited

Strategic report
for the year ended 31 December 2022 (*continued*)

Statement on Section 172(1) of the Companies Act (*continued*)

War in Ukraine (continued)

In consultation with our key stakeholders, we regularly review and promptly comply with any economic sanctions imposed by the US, EU and UK and other governments, adjusting portfolios if, and where required. Additionally, on the asset management side of the business, the firm-wide prohibition on any new or additional purchases of Russian and Belarusian securities, which came into effect at the start of the war, remains in place. We continue to address our existing exposure and, where it is possible and appropriate, we will look at options to reduce it in a thoughtful way which protects the interests of our clients and mitigates unintended consequences.

From a supplier perspective, FHL Group has no material exposure to Russia or Belarus involving counterparties or vendors at this time. The Group has a system in place to evaluate counterparties and vendors in line with our policies and sanctions-related obligations. We will continue to implement this policy and system.

Approval

This strategic report was approved on behalf of the Board on 4 April 2023.



R Musgrove
Director

FIL Investment Management Limited

Directors' report for the year ended 31 December 2022

The directors present their report together with the audited financial statements for the year ended 31 December 2022.

Directors

The directors of the company during the year and up to the date of signing the financial statements are listed below:

M Heath
R Musgrove
S Nelson

Corporate Governance Statement

The company's principal activities are the provision of administration and other services primarily to companies within the FHL group. As such, the governance function is largely at the FHL group level and so a Corporate Governance Statement for the FHL group which incorporates the company can be found within the FHL group's report and financial statements.

Dividends

An interim dividend of £10,000,000 (2021: £15,000,000) was paid in the year. No final dividend is proposed (2021: £nil).

Future developments

Information on future developments in the business of the company has been included in the strategic report on page 1.

Financial risk management

Information on the financial risk management of the company has been included in the strategic report on pages 1 and 2.

Qualifying third party pension scheme indemnity provision

The directors of the company have the benefit of indemnities in relation to the company or an associated company which are qualifying third party indemnity provisions and qualifying pension scheme indemnity provisions, as defined by Sections 234 and 235 of the Companies Act 2006. In addition, during the year and at the time of approving the Directors' Report, the company has maintained liability insurance for directors.

FIL Investment Management Limited

Directors' report for the year ended 31 December 2022 (continued)

Engagement with Employees

The company's employee engagement strategy includes achieving a common awareness of the financial and economic factors affecting the performance of the company. The company maintains its commitment to pro-active programmes for involving employees in its affairs. This is achieved in a variety of ways, including the regular publication of online news articles, video presentations and employee business briefings. Regular Leadership webinars are published for all employees and include both business and finance updates. KPIs are also published on the company's intranet homepage.

Involvement of employees in the company's performance is encouraged by means of a performance related annual bonus, through medium term incentive plans linked to the performance of Fidelity International and through the opportunity for certain senior employees to become and remain shareholders in FIL Limited, the ultimate parent company.

The company's policy is to provide equal opportunities to all employees regardless of their gender, race, ethnic origin, nationality, religion, age, sexual orientation, gender identity or expression, disability, health condition, mental health condition, neurodiverse condition, or social background. The Diversity and Inclusion strategy and programmes are governed by the Global D & I Leadership Council, made up of senior leaders across the FIL Limited group. This council sets the tone and strategy from the top to ensure the company is inclusive, diverse and is engaging all employees. It meets at least quarterly to review progress against diversity and inclusion initiatives, and against targets for boards, senior roles and overall. The FHL Board receives regular updates on progress against the Group's D&I objectives. In 2022, the company published an update on its Cultural Diversity Action Plan, published a Menopause Guide, increased the global minimum standard for Compassionate Leave to five days and clarified that compassionate leave is available to support employees who experience pregnancy loss.

The FHL group is a signatory of the Women in Finance Charter and had committed to increasing representation of women in senior roles from 26% in 2017 to 35% by December 2023. As of 31 December 2022, the FHL group had 34% of its senior roles filled by women. The FHL group is also a signatory to the 30% Club's Statement of Intent, the Race at Work Charter, the Valuable 500 and the UN Standards of Conduct for Business on Tackling Discrimination against LGBTI people.

The company is a member of a number of best practice diversity and inclusion organisations including Stonewall, Diversity Project, Women on Boards, Valuable 500, Women of the Future, LGBT Great, Community Business, 100 Women in Finance and the 30% Club. The FHL group is also a Founding Partner of Progress Together which was launched in 2022 and focuses on progression, retention and socio-economic diversity in the UK financial services sector. In 2022 Fidelity International received a number of people-related awards, including: Glassdoor 50 Best Places to Work; Top 75 Social Mobility Employers; Times Top 50 Employers for Women; Disability Confident Leader; Championing Race Diversity at the FT Adviser Awards; Stonewall Top Global Employers and Top 100 UK Employers; Contribution to Gender Diversity at the UK Women in Investment awards; and Employer of the Year at the UK Women in Finance awards. The FIL Group Chief Executive Officer is a regular spokesperson at significant industry wide events and programmes sponsoring diversity at a sector wide level.

Targeted learning and development programmes include unconscious bias training, workplace mental wellbeing training, inclusive leadership training, an in-house leadership development programme for ethnic minority talent, coaching and mentoring, cross-company mentoring for LGBT+ and Black, Asian and minority ethnic employees, and executive presence for women in senior roles. The company's training and development programmes support the policies in place to ensure a culture of inclusion prevails throughout the organisation. The company seeks feedback from employees through regular pulse surveys. These surveys are an important feedback loop in the diversity and inclusion strategy, and inform changes to policy, process and future training needs.

The company's policy on Dignity at Work; Bullying and Sexual Harassment is regularly reviewed and updated and is supported by processes to address employee grievances. The company is committed to supporting working families through its global dynamic working which offers flexible working policies and practices. It continues to support women returners and providing access for junior level women to role models and sponsors higher up the organisation.

FIL Investment Management Limited

Directors' report for the year ended 31 December 2022 (*continued*)

Engagement with Employees (*continued*)

The company announced a new company-wide Enhanced Parental Leave Policy in 2020, enabling fathers and secondary carers to take the same amount of paid leave as mothers and primary carers - 24 employees have taken Enhanced Parental Leave to date. In 2021, the company introduced five days of paid Family Care Leave company-wide to support employees to manage their caring responsibilities - 541 employees have taken Family Care Leave since its launch.

Engagement with other Stakeholders

Suppliers

The company recognises suppliers as critical to its ongoing success and depends upon them to fulfil a broad range of services in support of both corporate and fund activities. The company seeks to partner with third parties to create value-for-money on a whole-life basis, generating benefits to both the company and broader society, without damaging the environment.

The company engages with its key suppliers regularly, to undertake due diligence, risk assessment, and ongoing oversight, in order to ensure that they meet the regulatory requirements and the high standards and behaviours the company and its clients expect. The social, ethical and environmental footprint of the company's business partly reflects the business practices of its supply partners. The company ensures its supply partners are clear on its commitment to sustainability, and that its good intent is backed up by action.

The company's sustainability goals are supported by 3 pillars:

- Opportunity - the company will improve the diversity of its supply chain, by providing equal opportunities for diverse suppliers to compete for its business (directly, and as partners of its key suppliers);
- Fairness - the company will demonstrate fair treatment of its suppliers through consistent prompt payment and streamlined processes; and
- Transparency - the company will monitor supply chain sustainability, focusing on environment, labour & human rights, ethics and sustainable procurement practices.

Customers

The FHL group's purpose, working together to build better financial futures is based on the premise it believes it fulfils a vital role in society. The work the FHL group does, together as a team, and the services it offers to its clients, across all its business areas has one focus in mind - to help those clients have better futures because their financial situation allows them to. It also underlines the focus on sustainable, long-term outcomes, together with an aspirational focus on the future. The FHL group's core values of Integrity and Trust are implemented throughout its engagement with customers. The FHL group interacts with customers in a number of ways and actively listens to customers' needs by seeking feedback, for example through customer surveys, which informs continuous improvements to customer experience.

Communities and environment

The FHL group has a pro-active approach to Corporate Social Responsibility and seeks to build better futures by supporting a number of charitable causes to improve the lives of others and support the environment in which it operates, which is adopted by the company. The FHL group partners with local charities to help to build better futures for the community in which it operates. It also aims to conduct current and future business operations in a sustainable manner which helps create a better future for the environment, with key focus areas of Pollution, Prevention, Carbon Reduction, Waste minimisation and responsible use of resources.

FIL Investment Management Limited

Directors' report for the year ended 31 December 2022 (*continued*)

Streamlined Energy and Carbon reporting ("SECR")

SECR related disclosures can be found in the consolidated financial statements of the FHL group.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as the directors are aware there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The Board reappointed PricewaterhouseCoopers LLP as auditors to the company for the year (having first been appointed on 6 March 2003). Auditor independence and the terms of reappointment are considered by the FHL Audit and Risk Committee prior to recommendation to the Board for approval.

Approval

This Directors' Report was approved on behalf of the Board on 4 April 2023.



R Musgrove
Director

Independent auditors' report to the members of FIL Investment Management Limited

Report on the audit of the financial statements

Opinion

In our opinion, FIL Investment Management Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 Companies Act 2006.

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 Profit and loss account, the Statement of comprehensive income, and the Statement of changes in equity 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) and applicable law. Our responsibilities under International Standards on Auditing (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 company 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, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company in the period under audit.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Evaluation of the company cash flow forecasts and sensitivity analysis prepared by management to ensure the going concern basis of accounting is appropriate, both in the base case scenario and the severe but plausible downside scenario;
- Evaluation of the significant assumptions within the company cash flow forecast models and test of the significant assumptions by agreeing to historical and current evidence;
- Evaluation of management's disclosures in the financial statements relating to going concern; and
- Evaluation of the management's going concern assessment through inquiry and review of the Board and the Audit and Risk Committee meeting minutes.

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

In auditing the financial statements, we have concluded that the directors' 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 company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors 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 directors 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, except to the extent otherwise explicitly stated in this report, 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.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors 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 directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (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 company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue or expenses. Audit procedures performed by the engagement team included:

- Enquiries with management, including the compliance, internal audit and risk teams, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes, including those of the Board and the Audit and Risk Committee;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, entries posted containing unusual account descriptions and entries posted by unexpected users, where any such journal entries were identified; 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 company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

JMM

Jennifer March (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
04 April 2023

FIL Investment Management Limited

Profit and loss account for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Turnover		1,010,288	889,658
Administrative expenses		(990,557)	(884,728)
Operating profit	3	19,731	4,930
Interest receivable and similar income	6	565	3
Interest payable and similar charges	7	(91)	(74)
Other finance costs	8	(39)	(194)
Profit on ordinary activities before tax		20,166	4,665
Tax on profit on ordinary activities	9	(6,682)	3,281
Profit for the financial year		13,484	7,946

All operations are continuing.

The notes on pages 17 to 33 form part of these financial statements.

FIL Investment Management Limited

Statement of comprehensive income for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Profit for the financial year		13,484	7,946
Remeasurement gain on defined benefit pension scheme	20	3,978	13,047
Movement on deferred tax relating to pension asset / liability	9	(681)	(2,442)
Total other comprehensive income for the year, net of tax		3,297	10,605
Total comprehensive income for the year		16,781	18,551

The notes on pages 17 to 33 form part of these financial statements.

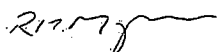
FIL Investment Management Limited

Balance sheet at 31 December 2022

	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Intangible assets	11		785		1,399
Tangible assets	12		94,260		85,533
Investments	13		1		50
Pension asset	20		1,179		-
			<u>96,225</u>		<u>86,982</u>
Current assets					
Debtors:					
amounts falling due within one year	14	283,292		259,081	
amounts falling due after more than one year	15	17,232		23,465	
Investments	16	6,418		18,916	
		<u>306,942</u>		<u>301,462</u>	
Creditors: amounts falling due within one year	17	<u>(334,031)</u>		<u>(287,066)</u>	
Net current (liabilities) / assets			<u>(27,089)</u>		<u>14,396</u>
Total assets less current liabilities			<u>69,136</u>		<u>101,378</u>
Creditors: amounts falling due after more than one year	18		(207)		(37,103)
Provisions for liabilities	19		(5,000)		(5,000)
Pensions and similar obligations	20		-		(2,127)
Net assets			<u>63,929</u>		<u>57,148</u>
Capital and reserves					
Called up share capital	21		30,000		30,000
Profit and loss account	22		33,929		27,148
Total equity			<u>63,929</u>		<u>57,148</u>

The notes on pages 17 to 33 form part of these financial statements.

The financial statements on pages 13 to 33 were approved by the Board of Directors on 4 April 2023 and signed on its behalf by:



R Musgrove
Director

Company registration number: 2349713

FIL Investment Management Limited

Statement of changes in equity for the year ended 31 December 2022

	Note	Called up share capital £'000	Profit and loss account £'000	Total Equity £'000
At 1 January 2021		30,000	23,597	53,597
Profit for the year		-	7,946	7,946
Other comprehensive income for the year		-	10,605	10,605
Total comprehensive income for the year		-	18,551	18,551
Dividends	10	-	(15,000)	(15,000)
At 31 December 2021		30,000	27,148	57,148
Profit for the year		-	13,484	13,484
Other comprehensive income for the year		-	3,297	3,297
Total comprehensive income for the year		-	16,781	16,781
Dividends	10	-	(10,000)	(10,000)
At 31 December 2022		30,000	33,929	63,929

The notes on pages 17 to 33 form part of these financial statements.

FIL Investment Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2022

1 Accounting policies

General information

FIL Investment Management Limited is a private company limited by shares and incorporated in England. The registered office is 4 Cannon Street, London, United Kingdom, EC4M 5AB.

Statement of compliance

The financial statements of FIL Investment Management Limited have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), and the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared on a going concern basis and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards on the historical cost basis, except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires company management to exercise judgement in applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £'000.

Turnover

Turnover, which arises primarily within the United Kingdom and excludes value added tax, is earned mainly from the provision of administration and other services to FHL group companies. Turnover is accounted for on an accruals basis and recognised as earned, through performance obligations satisfied over time.

Administrative expenses

Administrative expenses are accounted for on an accrual basis.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

FIL Investment Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (*continued*)

1 Accounting policies (*continued*)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes expenditure that is directly attributable to making the asset capable of operating in the manner intended.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than artwork and antiques, over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Leasehold property improvements	- 4 to 25 years
Office equipment	- 3 to 4 years
Fixtures and fittings	- 5 years
Computer hardware	- 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

Intangible assets and amortisation

Computer software costs are recognised as intangible assets and are stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost less their residual values over their estimated useful lives, which range from 3 to 5 years, using the straight-line method.

Gains and losses on retirement and disposals of computer software are determined by comparing the proceeds with the carrying amount and are recognised within 'other operation income' in the profit and loss account.

Intangible assets' residual values, useful lives and amortisation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Amortisation of intangible assets is included within administrative expenses in the profit and loss account.

Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised in profit or loss for the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and value in use.

All non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased. A reversal of an impairment loss is recognised in profit or loss.

Investments in subsidiaries

Investments in subsidiaries are measured at cost less any accumulated impairment.

FIL Investment Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (*continued*)

1 Accounting policies (*continued*)

Current asset investments

Current asset investments comprise investments in mutual and collective funds and are measured at fair value with changes in fair value recognised in profit or loss.

Cash

Cash in the balance sheet comprises cash at bank and in hand.

Debtors

Short-term debtors, with no stated interest rate and receivable within one year, are measured at transaction price less any impairment. Any losses arising from impairment are recognised in the profit and loss account. All debt instruments which are basic financial instruments are measured at amortised cost using the effective interest method, less any impairment.

Creditors

Short-term creditors, with no stated interest rate and payable within one year, are measured at transaction price. Other financial liabilities are measured at amortised cost.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement accrued at the balance sheet date.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Foreign currency translation

Monetary assets and liabilities of the company expressed in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currency are translated into sterling at the rate of exchange ruling on the date of the transaction. Translation differences are recognised in profit or loss.

Dividends

Dividends are recognised in the period in which they are appropriately authorised and declared.

Leased assets

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the lease.

The aggregate benefit of lease incentives received to enter into operating lease agreements are recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

FIL Investment Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (*continued*)

1 Accounting policies (*continued*)

Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities, or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Pension costs

The company operates a self-administered defined contribution pension scheme open to all employees aged 18 or over. Contributions to the defined contribution scheme are charged to the profit and loss account in the period to which they relate.

The final salary guarantee and internal annuity parts of the pension plan, as described in note 20, are treated as funded defined benefit schemes. A defined benefit scheme defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit scheme is a pension plan that is not a defined contribution scheme.

The asset / liability recognised in the balance sheet in respect of the defined benefit schemes is the present value of the defined benefit obligation at the reporting date less the fair value of the scheme assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. At each accounting period end, the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of scheme assets is measured in accordance with the FRS 102 fair value hierarchy. This includes the use of appropriate valuation techniques.

FIL Investment Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (*continued*)

1 Accounting policies (*continued*)

Pension costs (continued)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on scheme assets, less amounts included in net interest, are disclosed as 'remeasurement on defined benefit pension schemes'.

The cost of the defined benefit schemes recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- (a) the increase in pension benefit liability arising from employee service during the period; and
- (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of scheme assets. This cost is recognised in profit or loss as 'other finance costs'.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make significant judgements and estimates.

a. Significant judgements

The following judgements have had the most significant effect on amounts recognised in the financial statements.

- *Impairment of non-financial assets*

In determining whether there are indicators of impairment of the company's tangible and intangible assets, the factors taken into consideration include the economic viability and expected future financial performance of the asset. Where there are indicators of impairment of individual assets, the company would perform impairment tests based on fair value less costs to sell or a value in use calculation.

b. Other key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- *Tangible fixed assets and intangible assets*

Tangible fixed assets, other than artwork and antiques, and computer software are depreciated or amortised over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed at each accounting period end and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

FIL Investment Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

- *Pension benefits*

The costs of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of high quality sterling corporate bonds, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables and future salary increases and pension increases are based on expected future inflation rates. Further details are given in note 20.

- *Taxation*

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of future planning strategies. Further details are contained in note 9.

- *Bonus accrual*

The company operates performance related annual bonus plans for employees. The bonus accrual amount recognised is the best estimate of the expected bonus pay out under the plans at the balance sheet date, taking into account business performance, business outlook, financial markets and the operating environment.

- *Provisions*

Provision is made for asset retirement obligations which requires management's best estimate of the costs that will be incurred based on legislative, contractual requirements, experience, judgement and taking into account the risks and uncertainties surrounding the obligation. Further details are contained in note 19.

3 Operating profit

	2022 £'000	2021 £'000
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	10,661	11,523
Amortisation of intangible assets	592	796
Operating lease rentals	15,484	16,346
Exchange differences	128	(169)

Fees paid to the company's auditors, PricewaterhouseCoopers LLP, for services other than the statutory audit of the company are £nil (2021: £41,000).

The audit fees for the company are £63,000 (2021: £58,000).

FIL Investment Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (continued)

4 Employees

	2022 £'000	2021 £'000
Staff costs (including directors) for all employees consist of:		
Wages and salaries	352,207	370,625
Social security costs	48,259	47,261
Other pension costs	38,452	28,300
	<u>438,918</u>	<u>446,186</u>

There were no outstanding or prepaid contributions to the pension scheme at 31 December 2022 (2021: £nil).

The average monthly number of employees (including directors) during the year was as follows:

	2022 Number	2021 Number
Sales and marketing	605	529
Investment professionals	268	247
Administration	2,358	2,112
	<u>3,231</u>	<u>2,888</u>

5 Directors' remuneration

	2022 £'000	2021 £'000
Directors' emoluments	124	146
Company pension contributions to defined contribution schemes	3	2
	<u>127</u>	<u>148</u>

During the year, retirement benefits were accruing to 2 directors (2021: 2) under a defined contribution scheme. No benefits accrued to directors under the defined benefit scheme (2021: none).

Emoluments of the highest paid director were £107,000 (2021: £129,000). Company pension contributions of £1,000 (2021: £1,000) were made to a defined contribution scheme on their behalf.

6 Interest receivable and similar income

	2022 £'000	2021 £'000
Other interest receivable	1	3
Income from current asset investments	563	-
Income from fixed asset investments (note 13)	1	-
	<u>565</u>	<u>3</u>

FIL Investment Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (continued)

7 Interest payable and similar charges

	2022 £'000	2021 £'000
Bank loans and overdrafts	91	74

8 Other finance costs

	2022 £'000	2021 £'000
Net interest on net defined benefit pension asset / liability	39	194

9 Tax

	2022 £'000	2021 £'000
<i>Current tax</i>		
UK corporation tax on profits for the year	(120)	3,221
Adjustment in respect of previous periods	230	4,225
Amount receivable from FIL group companies in respect of group relief	(1,271)	-
Adjustment to group relief in respect of previous periods	-	(175)
Total current tax	(1,161)	7,271
<i>Deferred tax</i>		
Origination and reversal of timing differences	7,843	(5,194)
Changes in the tax rate	-	(5,358)
Total deferred tax	7,843	(10,552)
Tax on profit on ordinary activities	6,682	(3,281)

The tax assessed for the year is higher (2021: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2022 £'000	2021 £'000
Profit on ordinary activities before tax	20,166	4,665
Profit on ordinary activities at the standard rate of UK corporation tax of 19% (2021: 19%)	3,832	886
Effects of:		
Adjustment to group relief in respect of previous periods	-	(175)
Non-qualifying depreciation	82	130
Expenses not deductible for tax purposes	(172)	(271)
Adjustment in respect of previous periods	230	4,225
Compensating adjustments	2,329	2,251
Prior period deferred tax movement	381	(4,969)
Effect of changes in tax rate	-	(5,358)
Total tax charge / (credit) for year	6,682	(3,281)

FIL Investment Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (continued)

9 Tax (continued)

The aggregate current and deferred tax relating to items recognised in other comprehensive income is a charge of £681,000 (2021: £2,442,000).

In the current year the company surrendered tax losses of £6,690,000 (2021: £nil) for consideration of £1,271,000 (2021: £nil).

The deferred tax asset in the balance sheet consists of:

	2022 £'000	2021 £'000
Accelerated capital allowances	9,029	11,421
Bonus	12,550	18,001
Defined benefit pension scheme	(277)	404
	<u>21,302</u>	<u>29,826</u>

The movements on the deferred tax asset are as follows:

	2022 £'000	2021 £'000
At 1 January	29,826	21,716
Deferred tax (charge) / credit in the profit and loss account for the year in relation to the origination and reversal of timing differences	(7,843)	5,194
Deferred tax credit in the profit and loss account for the year relating to changes in the tax rate	-	5,358
Amount charged to other comprehensive income	(681)	(2,442)
At 31 December	<u>21,302</u>	<u>29,826</u>

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements. This is with the exception of net tax losses carried forward at 31 December 2022 of £287,000 (2021: £263,000) which have not been recognised on the basis that these losses are not expected to be utilised against future taxable profits.

The net reversal of deferred tax assets and liabilities expected in 2023 is £4,410,000 (2021: £6,701,000). This is expected to arise because of the unwinding of timing differences in relation to staff bonuses and capital allowances. However, it should be noted that further reversals (or further increases in deferred tax balances) may arise as a result of revaluations of financial instruments and changes in the defined benefit pension asset. As the future deferred tax balances, if any, will be dependent on future changes in fair values of assets and liabilities, it is not possible to estimate any further future reversals.

FIL Investment Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (*continued*)

10 Dividends

	2022 £'000	2021 £'000
Equity - Ordinary shares		
Interim paid of £0.33 (2021: £0.50) per £1 share	<u>10,000</u>	<u>15,000</u>

The directors have not proposed a final dividend for the year ended 31 December 2022 (2021: £nil).

11 Intangible assets

	Computer Software £'000
<i>Cost</i>	
At 1 January 2022	2,492
Additions	-
Disposals	(22)
At 31 December 2022	<u>2,470</u>
<i>Accumulated amortisation</i>	
At 1 January 2022	1,093
Amortisation for year	592
Disposal	-
At 31 December 2022	<u>1,685</u>
<i>Net book value</i>	
At 31 December 2022	<u>785</u>
At 31 December 2021	<u>1,399</u>

FIL Investment Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (continued)

12 Tangible assets

	Leasehold improvements £'000	Office equipment and computer hardware £'000	Fixtures and fittings £'000	Total £'000
<i>Cost or valuation</i>				
At 1 January 2022	61,260	26,646	12,462	100,368
Additions	14,189	5,199	-	19,388
At 31 December 2022	75,449	31,845	12,462	119,756
<i>Accumulated depreciation</i>				
At 1 January 2022	4,068	10,138	629	14,835
Depreciation for year	3,067	7,019	575	10,661
At 31 December 2022	7,135	17,157	1,204	25,496
<i>Net book value</i>				
At 31 December 2022	68,314	14,688	11,258	94,260
At 31 December 2021	57,192	16,508	11,833	85,533

Fixtures, fittings and equipment at 31 December 2022 includes artwork and antiques of £10,059,000 (2021: £10,059,000) which have not been depreciated because the residual value exceeds cost.

13 Fixed asset investments

	Other Investments £'000
<i>Cost and net book value</i>	
At 1 January 2022	50
Disposal	(49)
At 31 December 2022	1

The company's investments, none of which are listed investments, are detailed below. The country of incorporation for all undertakings is England and Wales.

Name of company	Proportion of nominal value of ordinary shares and voting rights	Principal activity
FIL Administration Limited	100%	Dormant
FPM Nominees Limited	100%	Dormant
Fidelity Investments Limited	100%	Dormant
FIL SIPP Trustee (UK) Limited	100%	Dormant
FIL (UK) Limited	99%	Dormant
Soclear Nominees Limited	50%	Dormant

The registered office address for all subsidiaries is 4 Cannon Street, London, England, EC4M 5AB.

FIL Investment Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (*continued*)

13 Fixed asset investments (*continued*)

The company is included in the consolidated financial statements of FIL Holdings (UK) Limited which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The company has received a dividend of £1,000 during the year ended 31 December 2022 (2021: £nil) from FIL (UK) Limited.

14 Debtors: amounts falling due within one year

	2022 £'000	2021 £'000
Amounts owed by parent undertaking	92,589	89,159
Amounts owed by group undertakings	74,282	83,169
Other debtors	3,164	2,784
Corporation tax	45,661	38,754
VAT recoverable	24,480	10,904
Deferred tax asset (note 9)	4,410	6,701
Prepayments and accrued income	38,706	27,610
	<u>283,292</u>	<u>259,081</u>

Amounts owed by parent and group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15 Debtors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Long term deposit	340	340
Deferred tax asset (note 9)	16,892	23,125
	<u>17,232</u>	<u>23,465</u>

16 Current asset investments

	2022 £'000	2021 £'000
Mutual and collective fund investments	<u>6,418</u>	<u>18,916</u>

FIL Investment Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (continued)

17 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Bank overdrafts	16,534	35,780
Amounts owed to group undertakings	80,598	24,206
Other taxation and social security	62,152	72,160
Other creditors	18,490	9,523
Accruals and deferred income	156,257	145,397
	<u>334,031</u>	<u>287,066</u>

The company's bank overdraft is subject to a legal set off agreement as explained in note 25.

All amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

18 Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Accruals and deferred income	<u>207</u>	<u>37,103</u>

Creditors falling due after more than one year consist of long term bonus accruals.

19 Provisions for liabilities

	Asset retirement obligations £'000
At 1 January 2022	5,000
Capitalised in cost of assets	-
At 31 December 2022	<u>5,000</u>

As part of its property leasing arrangements, the company has an obligation to return some properties to their original condition following recent significant leasehold improvements. The expected cost to remove the improvements on one of the properties is capitalised as a part of the leasehold improvement asset. The provision is expected to be utilised at the end of the lease in 2024. For the remaining properties, the asset retirement obligations were assessed as £nil based on management's judgement around probable future cash outflows.

FIL Investment Management Limited

Notes forming part of the financial statements for the year ended 31 December 2022 (*continued*)

20 Pensions and similar obligations

The company operates a defined contribution pension scheme, the Fidelity UK Pension Plan (the 'Plan').

Until 1986, the company operated a defined benefit pension scheme. At that time, a number of employees were given assurances that their defined contribution pension pool would be not less than the amount required to buy an annuity under the original scheme. The final salary guarantee ("FSG") part of the Plan is therefore treated as a funded defined benefit scheme and is made up exclusively of deferred members.

In addition, the Plan offers members who retire the option to buy an annuity within the scheme. Assets are transferred from individual member accounts and held within an annuity pool account within the scheme. Any risk that the amount set aside within the pension scheme will not cover the pension payments of the retiree is taken by the company. The internal annuity part of the Plan is also treated as a funded defined benefit scheme. The trustees have reserved the right to retract, amend or remove this option with a thirty day notice period to members.

Assets of the Plan are held in a separate trustee managed scheme and are ring fenced from the assets of the company.

UK defined benefit pension scheme

A full actuarial valuation of the FSG and internal annuity parts of the Fidelity UK Pension Plan was carried out at 30 June 2021 by WillisTowersWatson Limited (the "Actuary"). In addition, the Actuary undertakes a valuation at each accounting period end for the purposes of the disclosures in these financial statements.

<i>Principal actuarial assumptions used at the balance sheet date</i>	2022	2021
	%	%
Discount rate	4.80	1.85
Rate of increase in pensions in payment		
- Annuity pool pensioners	2.15	2.15
- FSG members	3.50	3.50
Inflation rate	3.35	3.35

<i>Assets and liabilities of the scheme</i>	2022	2021
	£'000	£'000
<i>Scheme assets at fair value:</i>		
Equities	5,243	7,905
Debt	10,561	7,546
Property	765	1,078
Cash	1,381	5,277
Other	709	651
Fair value of scheme assets	18,659	22,457
Present value of scheme liabilities	(17,480)	(24,584)
Net defined benefit asset / (liability)	1,179	(2,127)

FIL Investment Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (*continued*)

20 Pensions and similar obligations (*continued*)

<i>Amounts recognised in profit and loss account</i>	2022 £'000	2021 £'000
Net interest on net defined benefit asset / liability	(39)	(194)
Plan introductions, changes, curtailments and settlements	(633)	-
Defined benefit cost recognised in profit and loss account	<u>(672)</u>	<u>(194)</u>
<i>Amounts recognised in other comprehensive income</i>		
Actuarial gain arising during year	6,879	12,258
Return on plan assets (less) / greater than discount rate	(2,901)	789
Remeasurement gain recognised in other comprehensive income	<u>3,978</u>	<u>13,047</u>

<i>Reconciliation of present value of plan liabilities</i>	2022 £'000	2021 £'000
At 1 January	24,584	42,004
Interest cost	445	533
Remeasurement gain	(6,879)	(12,258)
Plan introductions, changes, curtailments and settlements	633	-
Benefits paid	(1,627)	(2,773)
Transfer payments	-	(2,922)
Contributions in respect of benefits secured by annuity pool pensioners	324	-
At 31 December	<u>17,480</u>	<u>24,584</u>

<i>Reconciliation of fair value of plan assets</i>		
At 1 January	22,457	27,024
Interest income	406	339
Return on plan assets (less) / greater than discount rate	(2,901)	789
Benefits paid	(1,627)	(2,773)
Transfer payments	-	(2,922)
Contributions in respect of benefits secured by annuity pool pensioners	324	-
At 31 December	<u>18,659</u>	<u>22,457</u>

21 Called up share capital

	2022 £'000	2021 £'000
<i>Allotted, called up and fully paid</i>		
30,000,000 (2021: 30,000,000) ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>

22 Reserves

Profit and loss account
This reserve includes all current and prior year retained profits and losses.

FIL Investment Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (continued)

23 Capital commitments

Capital commitments in relation to the purchase of fixed assets and leasehold improvements were £16,541,000 as at 31 December 2022 (2021: £23,926,000).

24 Commitments under operating leases

The company had minimum lease payments under non-cancellable operating leases as set out below:

	2022 £'000	2021 £'000
Not later than 1 year	16,387	16,765
Later than 1 year and not later than 5 years	41,270	47,984
Later than 5 years	78,128	87,597
Total	<u>135,785</u>	<u>152,346</u>

25 Contingent liabilities and guarantees

The company, along with certain other Group companies, has entered into an arrangement whereby the balance on its bank account is subject to a legal set off agreement, and the company is jointly and severally liable for any liabilities which may arise under this agreement. The bank facility is secured by way of a cross guarantee between the companies in the netting agreement.

As at 31 December 2022 the net bank balance on FHL group accounts held within the arrangement was £5,357,000 (2021: £18,820,000).

26 Financial instruments

The company's financial instruments may be analysed as follows:

	2022 £'000	2021 £'000
Financial assets		
Financial assets measured at fair value through profit or loss	6,418	18,916
Financial assets that are debt instruments measured at amortised cost	<u>170,035</u>	<u>175,112</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>115,622</u>	<u>69,509</u>

Financial assets measured at fair value through profit or loss comprise current asset investments.

Financial assets measured at amortised cost comprise other debtors and amounts owed by parent and group undertakings.

Financial liabilities measured at amortised cost comprise other creditors and amounts owed to group undertakings and bank overdrafts.

FIL Investment Management Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (*continued*)

27 Statement of cash flows and related party transactions

The company has taken advantage of the exemption permitted by section 1:12 of FRS 102 from preparing a statement of cash flows. The company is a subsidiary of FIL Holdings (UK) Limited and is included in its consolidated financial statements which are publicly available.

The company has also taken advantage of the exemption permitted by section 33.1A of FRS 102 not to disclose related party transactions with entities that are wholly owned subsidiaries of the FIL Limited group.

28 Ultimate parent undertaking and controlling party

The immediate parent undertaking is FIL Holdings (UK) Limited, a company registered in England and Wales. This is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2022. The consolidated financial statements of FIL Holdings (UK) Limited may be obtained from The Company Secretary, FIL Investment Management Limited, 4 Cannon Street, London, England, EC4M 5AB.

The ultimate parent undertaking and controlling party is FIL Limited, a company incorporated in Bermuda. FIL Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements.