

**EIRIS FOUNDATION**  
**(A Company Limited by Guarantee)**

REPORT AND ACCOUNTS  
FOR THE YEAR ENDED  
31st MARCH 2022

Registered Charity Commission Reference Number: 1020068

Registered Company Number: 02460330

**REPORT AND ACCOUNTS**  
31st March 2022

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**LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>REGISTERED COMPANY NUMBER:</b>	02460330
<b>CHARITY REGISTRATION NUMBER:</b>	1020068
<b>COUNCIL OF MANAGEMENT:</b>	David Bent-Hazelwood (Chair) Aaron Hay Richard Howitt Rebecca Kong Camilla Parke Nina Roth Maryann Umoren Selfe Frances Way
<b>CHIEF EXECUTIVE OFFICER:</b>	Peter Webster
<b>COMPANY SECRETARY:</b>	Lisa Stonestreet
<b>REGISTERED AND PRINCIPAL OFFICE:</b>	The Foundry 17-19 Oval Way London SE11 5RR
<b>AUDITORS:</b>	Cocke, Vellacott & Hill Chartered Accountants Unit 28 City Business Centre Lower Road LONDON SE16 2XB
<b>BANKERS:</b>	Unity Trust Bank 9 Brindley Place 4 Oozells Square BIRMINGHAM B1 2HB
<b>SOLICITORS:</b>	Bates, Wells & Braithwaite 10 Queen St Place LONDON EC4R 1BE
<b>IMPACT INVESTING ADVISERS:</b>	Sonnet Advisory and Impact 45 Flitwick Road Amphill Bedfordshire MK45 2NS

The Council of Management presents its annual report together with the consolidated financial statement of the charitable company and its subsidiaries for the year ended 31st March 2022. The accounts comply with the Charities Act 2011, the Companies Act 2006, the requirements of the charity's governing document and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). This report combines the Trustees' annual report for the purposes of the Charities Act 2011 and the directors' report for the purposes of the Companies Act 2006.

The EIRIS Foundation is a company limited by guarantee without share capital. Each member's liability is limited to £1. The company is a registered charity, and its affairs are governed by its memorandum and articles of association.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and mission**

The EIRIS Foundation's objects are to undertake and publish research into the social and ethical aspects of businesses in the UK and overseas and how those may be relevant to investment policies and to assist other charities by providing information and advice to help them choose investments which do not conflict with their aims or otherwise hamper their work.

Following a review of our goals and mission we have concluded that the best way to describe our current work and the role we want to play in future is that the EIRIS Foundation is a research, advice and advocacy charity that pioneers the next steps for sustainable finance. Our vision is a financial system that works for people and planet.

We have over 30 years' experience of providing free and objective information on sustainable finance and corporate activity to other charities and the public.

**Our strengths.** The EIRIS Foundation is a founder of the ethical and responsible investment movement. From our historic involvement in the creation of the first retail ethical fund in the UK to our founding and ongoing role with the Corporate Human Right's Benchmark (CHRB), our work illustrates our core strengths:

- **A pioneering spirit.** We consistently bridge the gaps in what is needed, including on difficult, under-served topics.
- **Independence.** As a charity, we can avoid conflicts of interest.
- **Catalysing coalitions.** That independence, plus a wide network of long-standing connections, mean we can bring together broad collaborations when required.
- **Supporting innovations.** We can both deploy innovations ourselves and recognize and support great innovations from others.
- **Quality of methods and outputs.** Our research findings are known for their independence and high standards.

**How we generate impact.** We look for activities which use our strengths to have one or more of these effects:

- **Moving the money** to more sustainable options and to finance sustainable solutions.
- **Embedding values in the investment chain**, from the saver/pension scheme member all the way to the portfolio manager.
- **Amplifying the sustainable investor voice** on company plans; leadership; and business culture.

We have the skills and experience to find solutions that bridge the gaps in today's finance system. We aim to have impact in several connected domains. Within each we build coalitions, and both generate and support innovations. The impact in each is money moved, values

embedded in investment decisions, and more pressure from sustainable voices. The cumulative effect moves us towards a finance system that works for people and planet.

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## **REPORT OF THE COUNCIL OF MANAGEMENT** (continued)

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### **OBJECTIVES AND ACTIVITIES** (continued)

#### **Summary of policies adopted**

To further these objects, the EIRIS Foundation has adopted the following policies mindful of the Charity Commission's guidance on public benefit including the guidance 'public benefit: running a charity (PB2):

- (a) We will maintain high standards of independence and rigorous analysis and focus on the public interest in our research and other work.
- (b) We acknowledge that different people and institutions will have different objectives and approaches to responsible investment and corporate responsibility. So while shared approaches can be of value in achieving impact, innovation and achieving the diverse goals of diverse investors and companies will require transparent diversity in approaches and research together with tailored advice and support.
- (c) Our approach will generally be to consult with those who may be the subject of our research (or a sample of them) and to provide companies, investors or others referred to in any publication the opportunity to provide input in advance of publication.
- (d) We will co-operate with and support other bodies with which we share objectives both in the UK and overseas in order to increase our impact.
- (e) We are not qualified or authorised to give financial advice. From time to time, we will comment on or research the more general aspects of the relationship between financial performance, business success and responsible investment or corporate responsibility but we always emphasise that this should not be taken as financial advice.
- (f) We will take appropriate advice on libel and other legal obligations and have appropriate sign off and review arrangements with one or more Council Members in the case of particularly controversial statements or publications.
- (g) Initially we envisage carrying out our work through our own staff, but we may also fund others (or share funding) to undertake work in cases where a charitable objective can be achieved more effectively in that way.
- (h) We will take appropriate financial advice on the investment of our reserves.

#### **Grant making policy**

The Council of Management will review our former grant making policy in the light of our new strategy to cover any cases where we decide to fund third parties to carry out our work or to share funding for research. All such uses of funds will be in accordance with the objectives of the charitable company.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The EIRIS Foundation is a company limited by guarantee without share capital. Each member's liability is limited to £1. The company is a registered charity, and its affairs are governed by its memorandum and articles of association.

The governing body of the EIRIS Foundation is the Council of Management, which now meets four times a year. It receives reports from the CEO.

The Council of Management and the chief executive are the key management personnel of the charity in charge of directing and controlling the charity and the running and operation of the charity on a day to day basis.

## **REPORT OF THE COUNCIL OF MANAGEMENT (continued)**

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### **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

The Council Members who fulfil the roles of trustees of the charity and directors of the company were as followed during the reporting period:

David Bent-Hazelwood (Chair)	
Roger Cowe	(retired 31 December 2021)
Aaron Hay	
Clare Hierons	(retired 18 March 2022)
Richard Howitt	
Rebecca Kong	(appointed 1 December 2021)
Mauricio Lazala	(retired 31 December 2021)
Camilla Parke	
Nina Roth	
Maryann Umoren Selfe	
Frances Way	

We have been delighted to welcome Rebecca Kong as a new Council Member in December who brings experience of impact assessment and sustainable finance more broadly and adds to the range of valuable perspectives the Council brings to help guide the next stage of our work.

At the end of 2021, Roger Cowe and Mauricio Lazala retired from the Council. Both had been directors of the Foundation's research subsidiary before the merger that created Vigeo Eiris in 2015. Roger had chaired the staffing committee of EIRIS and devoted a lot of care and attention to that role and more recently to setting up the staffing arrangements for the EIRIS Foundation as the new team took shape. Roger also brought a long-standing interest in responsible investment as a journalist and in corporate responsibility as a consultant to our Council discussions, and Mauricio brought his knowledge and experience of business and human rights to our work on the Corporate Human Rights Benchmark and our work on Conflict Risk particularly, which have become key parts of our new strategy. At the end of the reporting year Clare Hierons also retired from the Council. Clare joined the Council after the creation of Vigeo Eiris and has brought her experience of responsible investment advocacy NGOs and of fundraising and funding. Clare has made an important contribution to the work of the Council in clarifying our mission and purpose as we set out on our new path and look to raise new resources to develop that work.

We are very grateful for the time and commitment to our work of all three retiring Council Members.

New Council Members are appointed by the existing Council of Management from time to time and our Council Review committee deals with trustee recruitment. During the reporting period, there were Council sub-committees and working groups dealing with Staffing, Council Review, Investment Policy and Fundraising Support. Ad hoc groups of Council Members are formed when

needed by the full Council of Management to decide on particular issues or to approve particular grants or projects. There is also a process involving all Council Members for the approval of decisions between meetings.

### **Related parties**

As explained in note 13, during the previous year negotiations had been concluded for the transfer of Ethical Investment Research Services (EIRIS) Limited's two US subsidiaries, EIRIS Conflict Risk Network and EIRIS USA, to the EIRIS Foundation as from 17 April 2020. See note 17 for more details. The remaining shares in Vigeo Eiris was also sold to Moody's in the previous year and Vigeo Eiris was not a related party during the reporting period.

### **Risk management**

The Council of Management has reviewed the risks facing the charity and adopted a Risk Management Policy with a specific plan to manage the identified risks. The Risks Register will be reviewed formally at least once a year by the Council of Management and quarterly by the staff team. The main risks identified relate to managing the longer term transition to a portfolio of grant and fee funded work and maintaining and developing our reputation. Specific projects and each element of our strategy have their own delivery risks that are also tracked and managed.

## **REPORT OF THE COUNCIL OF MANAGEMENT (continued)**

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### **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

#### **Policies**

More details of our strategies and approach can be found on the EIRIS Foundation website at [www.eirisfoundation.org](http://www.eirisfoundation.org). Other key policies will be made available there in due course.

### **ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS**

#### **The Work of the Foundation**

In 2021 the Foundation continued its work as a research, advice and advocacy charity that seeks to pioneer the next steps for responsible investment and sustainable finance. This work focusses on the following areas:

#### **Helping Charities adopt and shape responsible investment practices**

Our work helping charities to use both their own investments and their influence and expertise to help drive responsible investment is an integral part of our mission. Not only is this part of our charitable objectives but we have also identified charities as a potential catalyst in the shift to a more just and sustainable financial system. We help charities by giving them practical tools and more tailored assistance (through events and 1:1 conversations) that helps them with various steps including formulating a responsible investment policy, implementing it and using their voice to call for improvements and/or best practices. We worked on producing an updated website, ([charitysri.org.uk](http://charitysri.org.uk)) providing charities with a free and objective resource regarding all aspects of responsible investment. We hope to expand on this in the future and create a hub of practical resources and case studies.

In 2021 we updated our own Responsible Investment Policy and then held a very successful public RfP to appoint the managers of our £1million growth portfolio. This process was held publicly and included a webinar that other charities were encouraged to attend in order to help other organisations that may also be going through this process. The procedures we followed, and the lesson learnt are now a valuable case study that we have highlighted on both our general website and our [charitysri](http://charitysri.org.uk) website.

We continued to engage with the charity investment sector and charities generally and we held a 'Good Money' charity workshop which encouraged organisations to join and ask questions about

responsible investment and ethical finance generally. We also provided feedback to the Charity Commission on their proposed revised guidance for charities on responsible investment.

### **Helping individuals drive the change to a more sustainable economy**

Although this work strand has not been our focus in 2021 we have continued to be broadly involved in this space and in early 2022 we responded to the FCA Consultation on sustainability disclosure requirements.

We once again produced our widely used retail green and ethical investment market statistics and supported the use of these and the information available on our website. We also submitted a response to the government's proposals on sustainability fund labelling for consumers.

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## **REPORT OF THE COUNCIL OF MANAGEMENT (continued)**

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### **ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS (continued)**

#### **Widening the impact of corporate responsibility best practice**

The EIRIS Foundation, as well as being one of the founding partners of CHRB, continues to co-ordinate the team of researchers who produce the assessments and our CEO Peter Webster, also co-chairs the Methodology Committee.

As the team responsible for the research and the quality of the results, we play an important role in the delivery of this widely used benchmark.

In the past year we have been particularly focused on working with CHRB on the revised methodology for the 2022 – 2023 benchmark, and then undertaking the first phase of the research for the 2022 benchmark in Q1 2022 in preparation for the engagement process with the companies after the reporting year.

The 2<sup>nd</sup> edition of the only Renewable Energy and Human Rights Benchmark was launched in November by the Business and Human Rights Resource Centre (BHRRC). The EIRIS Foundation was pleased to partner with the Centre in its data collection and review process of the benchmark. The Benchmark assesses 15 of the top wind and solar energy companies on internationally accepted human rights standards.

#### **Business in Conflict Areas and Human Rights Due Diligence**

Our conflict initiative, the EIRIS Conflict Risk Network (CRN), grew in 2021 with the hire of an additional researcher. EIRIS CRN expanded its focus to Burma/Myanmar which included research on the region and a successful webinar for investors considering how they should be responding to this conflict. EIRIS CRN also coordinated a statement supported by investors calling for the full restoration of the democratic transition in Sudan with respect for the rule of law, accountable governance and civic freedoms following the October coup and subsequent agreement between the ousted prime minister and the military.



### **Focussing on the 'S' in ESG**

In 2021 we coordinated a joint statement with 5 other leading social justice organisations on the EU Social Taxonomy. The statement urges investors to treat social and environmental considerations equally and strongly supports the EU in developing a social taxonomy based on global social and human rights norms and the impact of both products and practices on affected stakeholder groups.

### **Partnerships, networking and other public benefit**

Our small but dedicated staff team works with a wide range of stakeholders within all of our work areas and the sphere of responsible and sustainable finance and business generally. We have held, been present at and/or been actively involved in a wide range of events and meetings, both charity-specific, responsible investment-specific and otherwise. The Foundation has continued to work with others and provide input to a variety of projects and initiatives that support or advance our work.

All of the activities described above contribute to the charity's public benefit aims.

The ongoing operation of our various websites and the production and sharing of our various research projects continues to provide charities, individuals and other stakeholder organisations with information and resources to make their financial decisions more sustainable and to encourage the advancement of human rights, environmental improvement and a number of other specific areas of charitable advancement. Our core website, [www.eirisfoundation.org](http://www.eirisfoundation.org), which includes latest news stories about our work and more general blog posts on a variety of topics continues to help others understand the work we do and point them in the direction of further useful information and resources (produced by both us and other organisations).

## **REPORT OF THE COUNCIL OF MANAGEMENT (continued)**

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### **ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS (continued)**

#### **Future Plans**

The EIRIS Foundation is evolving and growing. We hope to hire additional staff in the coming year and expand our work particularly on conflict, charities, the 'S' in ESG and with regards to the 'next steps' for sustainable finance. We are excited about how this work will take shape and positively impact on the growing sustainable investment and finance space.

#### **FINANCIAL REVIEW**

The charitable company and its subsidiaries had total income of £241,658 (2021 - £468,973) mostly from project work. Expenditure in the year totalled £472,516 (2021 - £582,029) resulting in net expenditure for the year before gains / (losses) on investments of £230,858 (2021 - net expenditure £113,056). There was a net loss on revaluation of the investments in Snowball during the year of £9,768. The remainder of the investment in Vigeo Eiris at the beginning of the previous year was sold during that year. The resultant net expenditure for the year was £240,626 (2021 - £102,331) which was taken from reserves brought forward. There were no restricted funds carried forward at the year-end (2021 - £Nil). The total funds carried forward at the year-end were £1,841,614 (2021 - £2,082,240). More details are given in the Statement of Financial Activities on page 12.

All the assets of the charity are held for the purposes described under principal activities, apart from any restricted funds which are held for specific purposes.

### **Reserves policy**

The Council of Management has agreed to maintain half of the current reserve in the longer term, while planning to spend the other half over a 3-4 year period on the work of the Foundation and building up a portfolio of grant funded work. This reserves policy will be reviewed annually as part of the budgeting process.

### **Investment Policy**

To implement our reserves policy, we have divided our assets into two roughly equal parts: for the money that we plan to spend down over 3 to 4 years the policy is to invest in a cash and similar portfolio in a range of deposit and similar instruments with institutions that have a clear policy in relation to ethical or socially responsible investment or who are mutual building societies including a number who demonstrate particular leadership in our field.

The other half of our present assets we are considering as our growth fund, and the Council approved a detailed responsible investment policy for this fund which is available on our website. During the reporting period, we undertook a public request for proposals and appointed two fund managers. We undertook this exercise publicly to provide a case study for other charities looking at their investments and we plan to develop some of the learnings from this process further in future.

The investment on the balance sheet in Vigeo Eiris at the start of the last reporting period was regarded by the Council of Management as a mixed motive investment. As well as continuing and strengthening the work previously carried out directly by the Foundation's research subsidiary, Vigeo Eiris has also provided access to its research to assist the Foundation's work, and, until December 2020, office space and other facilities for the Foundation's staff. The investment was disposed of during the previous year with the completion of the sale of Vigeo Eiris to Moody's.

## **REPORT OF THE COUNCIL OF MANAGEMENT (continued)**

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### **COUNCIL MEMBERS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

The Council Members (who are the directors of EIRIS Foundation for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for that period. In preparing those financial statements, the directors are required to: -

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to

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ensure that the financial statements comply with the Companies Act 2006. They 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.

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

**AUDIT ENQUIRIES**

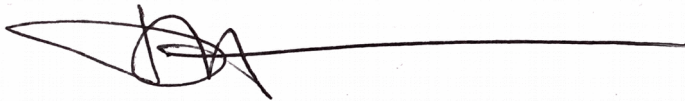
In accordance with company law, as the company's directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- As the directors of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**INDEPENDENT AUDITORS**

The auditors, Messrs. Cocke, Vellacott & Hill have indicated their willingness to continue in office and will be proposed for re-appointment in accordance with the Companies Act.

Approved by the Council of Management on 20 October 2022 and signed on their behalf by:



**DAVID BENT-HAZELWOOD**

Chair of the Council of Management

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS AND COUNCIL OF MANAGEMENT OF EIRIS FOUNDATION**

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**Opinion**

We have audited the financial statements of Eiris Foundation (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities (including consolidated income and expenditure account), the consolidated balance sheet, the consolidated statement of cash flows and notes to the financial statements including a summary of significant accounting policies. The financial framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2022, and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Council of Management is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Council of Management's report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Council of Management's report has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS AND TRUSTEES OF EIRIS FOUNDATION** (continued)

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**Other matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Council Members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Council of Management was not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

**Responsibilities of directors**

As explained more fully in the Council Members' responsibilities statement set out on page 8 the Council of Management (who are the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine are 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.

**Auditor's responsibilities for the audit of the financial statements**

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

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:

We have obtained an understanding of the company's policies and procedures through discussions with senior management and the treasurer.

We also drew on our existing understanding of the work that the company does and the sector that it operates in..

We understand that the company complies with its responsibilities through close involvement of the CEO in the day to day running of the business and regular liaison between him and the directors. Were there any litigation or claims they would come to the attention of the CEO directly.

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The company also holds regular board meetings at which all such matters are discussed. Finance papers are circulated to all directors and senior management in advance of these meetings along with a detailed report by the CEO. We have reviewed these reports, and minutes of all meetings, and no irregularities were identified.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the company's ability to conduct business and where failure to comply could result in material penalties.

We have considered the disclosure requirements of the Companies Act 2006 and the Charities SORP (FRS 102) (effective 1 January 2019) as part of our finalisation processes.

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS AND TRUSTEES OF EIRIS FOUNDATION** (continued)

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**Auditor's responsibilities for the audit of the financial statements** (continued)

We discussed the possibility of fraud with senior management and whether they had any knowledge of any actual, alleged or suspected fraud. We designed our audit tests to consider controls and tested a sample of financial transactions. We considered the timing of recognition of income from members, and of grant income.

In common with all audits under ISA's (UK) we also performed specific procedures to respond to the risk of management override. We assessed the company's control environment is adequate for the size and operating model of such a company.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**Use of our report**

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

DAVID WARREN BA FCA (Senior statutory auditor)  
For and on behalf of COCKE, VELLACOTT & HILL - Statutory Auditor  
Chartered Accountants  
Unit 28 City Business Centre  
Lower Road  
LONDON SE16 2XB

December 2022

**EIRIS FOUNDATION****(A Company Limited by  
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Expenditure Account)  
For the year ended 31st March 2022

	<b>Notes</b>	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Income</b>					
<i>Donations</i>	3 (a)	-	-	-	34,322
<i>Income from charitable activities</i>					
Contractual research work	3 (b)	239,704	-	<b>239,704</b>	426,631
<i>Investment income</i>					
Bank and building society interest receivable		1,954	-	<b>1,954</b>	8,020
<i>Other income</i>		-	-	-	-
Total income		<u>241,658</u>	<u>-</u>	<u><b>241,658</b></u>	<u>468,973</u>
<b>Expenditure</b>					
<i>Costs of raising funds</i>					
Costs of raising donations and grants	4	(10,458)	-	<b>(10,458)</b>	(7,412)
<i>Expenditure on charitable activities</i>					
Grants payable	5	-	-	-	(15,000)
Costs of activities - research, publications, information, provision of seminars	5 (559,617)	(462,058)	-	<b>(462,058)</b>	
Total expenditure		<u>(472,516)</u>	<u>-</u>	<u><b>(472,516)</b></u>	
Net income/ (expenditure) before gains and losses on investments		(230,858)			
	-	<b>(230,858)</b>		(113,056)	
<b>Net gains/ (losses) on investments</b>					
Loss on revaluation of investments	12	(9,768)	-	<b>(9,768)</b>	
		-			
Gain on sale of investments	12	-	-	-	10,725
Net income/ (expenditure) for the year	7	(240,626)			
	-	<b>(240,626)</b>			(102,331)
<b>Net movements in funds and net income/ (expenditure) for the year</b>	(102,331)	<b>(240,626)</b>	<b>-</b>	<b>(240,626)</b>	
<b>Reconciliation of Funds</b>					
Total funds brought forward	18 2,184,571	2,082,240	-	2,082,240	
<b>Total funds carried forward</b>	18 2,082,240	<b>1,841,614</b>	<b>-</b>	<b>1,841,614</b>	

All the operations undertaken by the company during the current and preceding year are continuing operations.

The company has no recognised gains and losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented.

*The notes on pages 15 to 26 form part of these accounts.*



**CONSOLIDATED BALANCE SHEET**


As at 31st March 2022

	Notes	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
<b>Fixed assets</b>					
Intangible assets	10	12,123	23,707	-	-
Tangible assets	11	2,289	1,317	282	1,317
Investments	12	490,232			
	-		552,463	62,231	
Total fixed assets		504,644			
	25,024	552,745			
	63,548				
<b>Current assets</b>					
Debtors	14	125,388			
		39,763			
		113,590			
		28,816			
Cash at bank and in hand		1,338,154			
		2,165,262			
	1,318,213		2,153,643		
Total current assets		1,463,542	2,205,025		
		1,431,803	2,182,459		
<b>Liabilities</b>					
<b>Creditors:</b> Amounts falling due within one year	15	(121,465)			
		(85,332)			
		(137,896)			
		(109,884)			
<b>Net current assets (liabilities)</b>		1,342,077		2,067,129	
<b>1,346,471</b>	2,072,575				
<b>Total assets less current liabilities</b>		1,846,721		2,092,153	
<b>1,899,216</b>	2,136,123				
Provision for other liabilities	16	(5,107)			
		(5,107)			
		(9,913)			
		(9,913)			
<b>Net assets</b>		1,841,614			
2,082,240	1,894,109	2,126,210			
<b>The funds of the charity</b>					
Restricted income funds	18	-	-	-	-
Unrestricted income funds	18	1,841,614			
		1,894,109			
		2,082,240			
		2,126,210			
<b>Total charity funds</b>	18	1,841,614			
2,082,240		1,894,109	2,126,210		

**EIRIS FOUNDATION****(A Company Limited by  
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The directors (trustees) have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and those prepared for circulation to members of the company.

The Financial Statements were approved by the Council of Management on 20 October 2022 and signed on their behalf by:



**DAVID BENT-HAZELWOOD** – Chair of the Council of Management

**Registered Company Number: 02460330**

*The notes on pages 15 to 26 form part of these accounts.*

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31st March 2022

	Notes	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
<b>Cash flows from operating activities</b>					
Net income (expenditure) for the year		<b>(240,626)</b>	(102,331)		
		(58,361)			
<i>Adjustments for:</i>					
Interest received		<b>(1,954)</b>		(8,020)	<b>(1,954)</b>
Amortisation of intangible assets	10	<b>11,584</b>			
	11,044	-			
Depreciation of tangible assets	11	<b>1,035</b>			
	988	<b>1,035</b>		988	
Profit on disposal of fixed asset investments	12	-	(10,725)		
		(10,725)			
Net losses on investments	13	<b>9,768</b>			
(Decrease) Increase in provision for other liabilities	16	<b>(4,806)</b>		5,818	<b>(4,806)</b>
	5,818				
(Increase) decrease in debtors	14				<b>(85,625)</b>
	128,562	<b>(84,774)</b>		139,509	
(Decrease) increase in creditors	15	<b>(16,431)</b>			
	(20,267)	<b>(24,552)</b>		(48,279)	
<b>Net cash (outflow) inflow from operating activities</b>			<b>(327,055)</b>		
	5,069	<b>(337,384)</b>	20,930		
<b>Cash flow from investing activities</b>					
Purchases of intangible assets	10	-	(34,751)		
Purchase of fixed asset equipment	11	<b>(2,007)</b>			
	(845)		(845)		
Purchase of subsidiaries	13	-			(62,231)
Purchases of investments	13	<b>(500,000)</b>			
Proceeds from disposal of fixed asset investment	12	-		435,955	

**EIRIS FOUNDATION**  
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435,955				
Interest received			<b>1,954</b>	
8,020		8,020		
Net cash provided by investing activities		<b>(500,053)</b>	408,379	
<b>(498,046)</b>	380,899			
<b>Net (decrease) increase in cash and cash equivalents</b>			<b>(827,108)</b>	413,448
<b>(835,430)</b>	401,829			
Cash and cash equivalents at the beginning of the period		<b>2,165,262</b>	1,751,814	
<b>2,153,643</b>	1,751,814			
<b>Cash and cash equivalents at end of period</b>		<b>1,338,154</b>	2,165,262	
<b>1,318,213</b>	2,153,643			

*The notes on pages 15 to 26 form part of these accounts.*

**NOTES TO THE ACCOUNTS**

For the period to 31st March 2022

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**1. GENERAL INFORMATION AND LEGAL STATUS**

EIRIS Foundation is a registered charity and a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. It is incorporated and domiciled in England and its registered office is The Foundry, 17 -19 Oval Way, London SE11 5RR.

The charitable company's principal activity continues to be to undertake and publish research into the social and ethical aspects of businesses in the UK and overseas and how those may be relevant to investment policies and, further, to assist other charities by providing information and advice to help them choose investments which do not conflict with their aims or otherwise hamper their work. The charitable company's subsidiaries provide investors with the research, insights, and engagement support they need to identify and influence companies that impact or operate in conflict-affected areas in order to reduce conflict risks to both people and portfolios.

**2. ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**(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 unless otherwise stated in the relevant note(s) to the accounts. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102) and the Companies Act 2006.

The accounts consolidate the results of the charitable company and its subsidiaries, Ethical Investment Research Service (EIRIS) USA and EIRIS Conflict Risk Network (CRN) on a line-by-line basis. The results of subsidiaries acquired last year are included in the statement of financial activities from the effective date of acquisition using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. A separate Statement of Financial Activities and Income and Expenditure Account for the charitable company have not been presented because the charitable company has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The directors have approved the omission of the company's individual income and expenditure account in accordance with section 414(1) from the company's annual accounts.

EIRIS Foundation meets the definition of a public benefit entity under FRS 102.

The Council of Management considers, having reviewed the charitable company's forecasts and projections, that there are no material uncertainties about its ability to continue as a going concern for the foreseeable future and have therefore adopted the going concern basis in preparing these financial statements.

**(b) Income from trading activities**

Income represents contracts for the provision of research and advice on responsible investment and is shown net of value added tax. Income invoiced in advance of the period is deferred to the period it relates to. (see note 15).

**(c) Donations and similar income**

Donations and grants receivable are accounted for in the period in which the charity becomes entitled to them and they can be measured with reasonable certainty. Income is deferred if the donor specifies conditions that the income is to be spent in a future period.

Donations and grants are used in accordance with the wishes of the grantors.

Donated services are included in the statement of financial activities at the estimated value to the charity of the service or facility received, i.e., at the price the company estimates it would pay in the open market for a service of equivalent utility to the charity. An equivalent amount to that recognised as income is included as expenditure under the appropriate heading in the statement of financial activities.

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**NOTES TO THE ACCOUNTS** (continued)  
For the year ended 31st March 2022

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**2. ACCOUNTING POLICIES** (continued)

**(d) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank or building society.

**(e) Fund accounting**

Unrestricted income funds comprise those funds which the Council of Management is free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Council of Management, at their discretion, have created a fund for a specific purpose.

Restricted funds are funds which are used in accordance with specific restrictions imposed by the donor.

**(f) Expenditure recognition**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Grants payable are made to third parties in the furtherance of the charitable objectives of the charity. Grants are accounted for when the Council of Management has agreed to pay a grant without condition and the recipient has a reasonable expectation that they will receive the grant. Provisions for grants are made when the intention to make the grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of the grant.

All expenditure is accounted for on an accruals basis. Expenditure is classified under the following activity headings:

- Costs of generating funds comprise the costs associated with attracting voluntary income and investment management costs together with an apportionment of support costs.
- Charitable activities expenditure comprises those costs including grant making incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Other expenditure represents those items not falling into any other heading.

**(g) Allocation of support and governance costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance, payroll and governance costs.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. These include the audit fees, legal fees and costs linked to the strategic management of the charity.

Support and governance costs are allocated between cost of raising funds and expenditure

on charitable activities on a reasonable, justifiable and consistent basis, e.g., taking into account the number of grants awarded and staff time. The allocation of support and governance costs is analysed in note 6.

**(h) Foreign currency**

The financial statements of the charitable company are presented in Sterling (£) which is its functional currency.

Transactions in foreign currencies are translated into sterling at the exchange rate in operation on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates. All revaluation differences and foreign exchange differences are taken to the statement of financial activities.

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**NOTES TO THE ACCOUNTS (continued)**

For the year ended 31st March 2022

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**2. ACCOUNTING POLICIES (continued)****(i) Business combinations and goodwill**

Acquisition of subsidiaries are accounted for using the purchase method. The cost of the business combination is the fair value of the consideration given, liabilities incurred or assumed plus the costs directly attributable to the business combination. Any excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets and liabilities acquired is recognised as goodwill.

Goodwill is amortised over its estimated useful life, which the Council of Management have deemed to be 3 years, using the straight line basis. Goodwill is assessed for impairment when there are indicators of impairment, and any impairment is charged to the income and expenditure account.

**(j) Tangible Fixed Assets**

Tangible fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation has been provided on the tangible fixed assets at an annual rate of 25% on the straight-line method, except on computer equipment on which it is provided at an annual rate of 33% on the straight-line method so as to write off the assets over their estimated useful life.

**(k) Fixed asset investments**

*Other Investments – Snowball funds* - Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing market price quoted by the fund provider. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

*Investment in subsidiaries* - Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

**(l) Impairment of assets**

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount is reduced to its recoverable amount and an impairment loss is recognised in the profit and loss account.

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If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but not in excess of the amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the profit and loss account.

### (m) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments held at call with banks and building societies.

### (n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts. Prepayments are valued at the amount prepaid net of any trade discounts due.

### (o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### (p) Pensions

The company contributes to pension arrangements on behalf of its employees. Contributions payable for the year are charged in the profit and loss account when they are due. The amount of contributions recognised in the statement of financial activities as an expense is as shown in note 8.

## NOTES TO THE ACCOUNTS (continued)

For the year ended 31st March 2022

### 3. (a) INCOME FROM DONATIONS

	2022 £	2021 £
Sponsorship of Pooled Fund Report 7,500	-	-
Donated services 26,822	-	-
Total	-	34,322

More details of the various grants which are restricted are given in note 18. The charitable company is grateful to Vigeo Eiris for providing office space and services relating to accounting, HR and IT up to 31 December 2020. The value of these to the charitable company was estimated to be £Nil (2021 - £26,822) and recognised in these financial statements as a donation with an equivalent charge included in costs within meeting room and office rent and legal and professional.

### (b) CONTRACTUAL RESEARCH WORK

Included in the unrestricted income from contractual research work of £239,704 (2021 - £426,631) is £111,657 (2021 - £303,367) from CHRB, £20,000 (2021 - £Nil) from BHRRC, £68,672 (2021 - £74,265) from the subsidiaries and an amount of £39,375 (2021 - £49,000) for advisory work with Vigeo Eiris on the use of research and the Vigeo Eiris methodology by investors and on developments in the field.

### 4. COSTS OF RAISING FUNDS

	2022 £	2021 £
Costs of raising grants and donations	-	-

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Shared staff costs (see note 8)		<b>4,542</b>	
	3,775		
Governance costs (see note 6)		<b>404</b>	311
Support costs (see note 6)		<b>5,512</b>	
	3,326		
Total		<b>10,458</b>	<b>7,412</b>

All of the costs of raising funds were from unrestricted funds in both years.

**5. EXPENDITURE ON CHARITABLE ACTIVITIES**

	<b>Grants payable</b>	<b>Research projects</b>	<b>Total</b>	<b>2021</b>
	£	£	£	£
Grants (see note below)		-	-	15,000
Projects and seminars		56,470	<b>56,470</b>	
	151,817			
Staff costs (see note 8)		194,685	<b>194,685</b>	
	199,875			
Shared staff costs (see note 8)		32,261	<b>32,261</b>	
	53,020			
Website and IT costs		1,992	<b>1,992</b>	
	3,631			
Subscriptions to publications and services		7,255	<b>7,255</b>	
	-			
Governance costs (see note 6)		33,376	<b>33,376</b>	
	32,568			
Support costs (see note 6)		136,019	<b>136,019</b>	
	118,706			
Total		<b>462,058</b>	<b>462,058</b>	<b>574,617</b>

Expenditure on charitable activities was £462,058 (2021 - £559,617) of which £Nil (2021 - £22,500) was expenditure from restricted funds and £462,058 (2021 - £552,117) was expenditure from unrestricted funds.

No grants were made in the year under review to Corporate Human Rights Benchmark (CHRB) (2021 - two for a total of £15,000) for support of their charitable work.

**NOTES TO THE ACCOUNTS (continued)**

For the year ended 31st March 2022

**6. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

	<b>Other support</b>	<b>Governance related</b>	<b>2022 Total</b>	<b>2021 Total</b>
	£	£	£	£
Staff costs (see note 8)	70,744	10,850		
<b>81,594</b>	68,256			
Legal and professional	25,006	9,586		
<b>34,592</b>	36,088			
Audit fees	-	5,292		
<b>5,292</b>	5,000			
Committee expenses	-	395	<b>395</b>	-
Meeting room and office rent and service charges	10,377	1,551		
<b>11,928</b>		15,572		
Website and IT costs	12,047	2,429		
<b>14,476</b>	2,623			



**EIRIS FOUNDATION****(A Company Limited by  
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Insurance	3,465	213	<b>3,678</b>	
5,349				
Bank charges	268	67	<b>335</b>	461
Memberships	2,189	143	<b>2,332</b>	
6,495				
Training and other staff expenses		6,744		
822	<b>7,566</b>	598		
Subscriptions to publications and services	391	58	<b>449</b>	33
Sundry expenses	48	7	<b>55</b>	2,404
Amortisation of goodwill	9,352	2,232		
<b>11,584</b>	<b>11,044</b>			
Depreciation	900	135	<b>1,035</b>	
988				
Total	<b>141,531</b>			
<b>33,780</b>	<b>175,311</b>	154,911		

The charitable company initially identifies the costs of its support functions. It then identifies those support costs which relate to the governance function. Governance costs and other support costs are then apportioned on the basis of time spent between the costs of raising funds and its key charitable activities undertaken (see notes 4 and 5 above) in the year.

**7. NET INCOME (EXPENDITURE)**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
This is stated after charging the following:		
Staff costs (see note 8)	<b>313,082</b>	
324,926		
<i>Auditors' remuneration</i>		
Audit fees	<b>5,292</b>	5,000
Accountancy and general advice	<b>3,200</b>	3,100
Tax advisory services	<b>300</b>	300
Operating lease rentals	<b>9,337</b>	-
Depreciation	<b>1,035</b>	988

**8. DIRECTORS AND EMPLOYEES**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Salaries and wages	<b>260,114</b>	
264,909		
Social security costs	<b>28,234</b>	
35,395		
Pension costs	<b>24,734</b>	
24,622		
	<b>313,082</b>	
324,926		

**NOTES TO THE ACCOUNTS (continued)**

For the year ended 31st March 2022

## 8. DIRECTORS AND EMPLOYEES (continued)

The staff costs have been allocated between cost of raising funds and expenditure on charitable activities as follows:

	2022 £	2021 £
<b>Costs of raising funds</b> (note 4)		
Shared staff costs	4,542	
3,775		
Governance (note 6)	546	115
<b>Expenditure on charitable activities</b> (note 5)		
Staff costs	194,685	
199,875		
Other support costs (note 6)	70,744	
59,383		
Shared staff costs	32,261	
53,020		
Governance (note 6)	10,304	
8,758		
	<b>313,082</b>	
324,926		

The average number of employees during the year was:

	No.	No.
Administration	1	1
Research & Project work	5	6
	<b>6</b>	<b>7</b>

None of the Council Members (who are also the trustees of the charity and directors of the Company) received any reimbursement for expenses or remuneration from employment or payment for professional or other services supplied to the charity during the current or preceding year.

The charity considers its key management personnel comprise the trustees and the Chief Executive Officer. The total employment benefits including employer pension contributions of the key management personnel were £75,090 (2021 - £72,270).

One employee received emoluments (excluding employer pension costs) exceeding £60,000 during the year within the band of £60,000 to £70,000 (2021 - one).

## 9. CORPORATION TAX

The charitable company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

**NOTES TO THE ACCOUNTS** (continued)  
For the year ended 31st March 2022

**10. INTANGIBLE FIXED ASSETS**

**The group**

	<u>Goodwill</u> £	<u>Total</u> £
<i>Cost at 1 April 2021</i>	34,751	<b>34,751</b>
Additions during the year	-	-
<b>Cost at 31 March 2022</b>	<u>34,751</u>	<u><b>34,751</b></u>
<i>Accumulated amortisation at 1 April 2021</i>	11,044	<b>11,044</b>
Amortisation for the year	11,584	<b>11,584</b>
<b>Amortisation at 31 March 2022</b>	<u>22,628</u>	<u><b>22,628</b></u>
<b>Net book amount at 31 March 2022</b>	<u><b>12,123</b></u>	<u><b>12,123</b></u>
<i>Net book value at 31 March 2021</i>	23,707	

See note 2(i) for more details of goodwill. Amortisation is included in income and expenditure for the year.

**11. TANGIBLE FIXED ASSETS**

	<u>Group</u> Office equipment £	<u>Charity</u> Office equipment £
<i>Cost at April 2021</i>	3,247	3,247
Additions during the year	2,007	-
<b>Cost at 31 March 2022</b>	<u><b>5,254</b></u>	<u><b>3,247</b></u>
<i>Accumulated depreciation at 1 April 2021</i>	1,930	1,930
Charge for the year	1,035	1,035
<b>Depreciation at 31 March 2022</b>	<u><b>2,965</b></u>	<u><b>2,965</b></u>
<b>Net book amount at 31 March 2022</b>	<u><b>2,289</b></u>	<u><b>282</b></u>
<i>Net book value at 31 March 2021</i>	1,317	

**NOTES TO THE ACCOUNTS** (continued)  
For the year ended 31st March 2022

**12. FIXED ASSET INVESTMENTS**

**The Group**

	<b>Other Investments</b>	<b>2022 Total</b>	<b>2021 Total</b>
	£	£	£
At cost at 1 April	-	-	425,230
At market value 1 April	-	-	-
Additions	500,000	<b>500,000</b>	-
Disposals	-	-	(425,230)
Net gain/(loss) on revaluation	(9,768)	<b>(9,768)</b>	-
Cost at 31 March			-
Market value at 31 March	490,232		
<b>490,232</b>	-		

During the year EIRIS Foundation invested in Snowball Impact Investments LP which invests all capital for social and environmental impact as well as financial returns. This investment is carried at its fair value which is the net asset value (NAV) provided by Snowball.

In the last reporting period, the remaining shares in Vigeo Eiris were sold to Moody's (who became the sole shareholder in Vigeo Eiris). No dividends or other distributions were received from Vigeo Eiris during last year.

**13. FIXED ASSET INVESTMENTS**

**The Charity**

	<b>Other Investments</b>	<b>Investment in subsidiaries</b>	<b>2022 Total</b>	<b>2021 Total</b>
	£	£	£	£
At cost at 1 April	-	62,231	<b>62,231</b>	425,230
At market value 1 April	-	-	-	-
Additions at cost	500,000	-	<b>500,000</b>	62,231
Disposals	-	-	-	(425,230)
Net gain/(loss) on revaluation	(9,768)	-	<b>(9,768)</b>	-
Cost at 31 March			<b>62,231</b>	
<b>62,231</b>	62,231			
Market value at 31 March		<b>490,232</b>	<b>490,232</b>	
-				
Total investments		<b>490,232</b>	<b>62,231</b>	
<b>552,463</b>	62,231			

During the year EIRIS Foundation invested in Snowball Impact Investments LP (Snowball) which invests all capital for social and environmental impact as well as financial returns. This investment is carried at its fair value which is the net asset value (NAV) provided by Snowball.

At the beginning of last year Ethical Investment Research Services (EIRIS) Limited's two US subsidiaries, EIRIS Conflict Risk Network and EIRIS USA were transferred to the EIRIS Foundation with effect from 17 April 2020. Including the effect of making refunds for some items and

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writing off some balances, EIRIS Foundation made a net payment of £62,231 to Ethical Investment Research Services (EIRIS) Limited for the transfer.

In the last reporting period, the remaining shares in Vigeo were sold to Moody's (who became the majority shareholder in Vigeo Eiris). No dividends or other distributions were received from Vigeo Eiris during last year.

See note 21 for more details of the subsidiary companies.

### NOTES TO THE ACCOUNTS (continued)

For the year ended 31st March 2022

#### 14. DEBTORS

		<b>Group 2022</b>	<i>Group 2021</i>	<b>Charity 2022</b>	<i>Charity 2021</i>
		£	£	£	£
Trade debtors		<b>50,994</b>			
		16,476	<b>41,263</b>	6,830	
Other debtors		<b>3,041</b>			
		3,352	<b>3,041</b>	2,051	
Prepayments and accrued income		<b>71,353</b>			
	19,935	<b>69,286</b>			
	19,935				
		<b>125,388</b>	39,763		
		<b>113,950</b>		28,816	

#### 15. CREDITORS: Amounts falling due within one year

		<b>Group 2022</b>	<i>Group 2021</i>	<b>Charity 2022</b>	<i>Charity 2021</i>
		£	£	£	£
Trade creditors		<b>2,708</b>	80,512		
	<b>2,134</b>	80,152			
Taxation and social security costs			<b>817</b>	1,044	-
-					
Other creditors		<b>16,741</b>	637	<b>15,220</b>	
	637				
Accruals and deferred income		<b>101,199</b>	55,703		
	<b>67,978</b>	29,095			
		<b>121,465</b>	137,896		
	<b>85,332</b>	109,884			

#### Deferred income

Deferred income included above comprises income received in advance of the period of commitment.

		<b>Group 2022</b>	<i>Group 2021</i>	<b>Charity 2022</b>	<i>Charity 2021</i>
		£	£	£	£
Balance as at 1 April 2021		<b>22,984</b>	7,997		
-		-			
Amount released to income from charitable activities			<b>(22,984)</b>	(7,997)	
-		-			
Amount deferred in year		<b>22,698</b>	22,984		
-		-			

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Balance as at 31 March 2022

**22,698**

22,984

-

**16. PROVISION FOR OTHER LIABILITIES****The Group and Charitable Company****Leave pay  
provision  
£**

Provision at 1 April 2021

9,913

Additions

5,107

Utilised in the year  
(9,913)**Provision at 31 March 2022****5,107**

The leave pay provision represents holiday balances accrued as a result of services rendered in the reporting year and which employees are entitled to carry forward. The provision is measured as the salary cost payable at the year-end for the period of absence.

**NOTES TO THE ACCOUNTS** (continued)

For the year ended 31st March 2022

**17. RELATED PARTY TRANSACTIONS**

There were no related party transactions during the year other than those with the company's wholly controlled subsidiary companies. See note 20 for more details of the subsidiary companies

**18. INCOME FUNDS****Analysis of Group fund movements**

	<b>Balance b/fwd £</b>	<b>Income/Expenditure/ (Gains) (losses) £</b>	<b>Balance c/fwd £</b>
<b>Unrestricted funds</b>			
General income fund	2,082,240	241,658	(482,284)
<b>1,841,614</b>			
<b>Restricted funds</b>			
-	-	-	-
Total funds	2,082,240	241,658	(482,284)
<b>1,841,614</b>			

**Analysis of Charity fund movements**

	<b>Balance b/fwd £</b>	<b>Income/Expenditure/ (Gains) (losses) £</b>	<b>Balance c/fwd £</b>
<b>Unrestricted funds</b>			
General income fund	2,126,210	172,985	(405,086)
<b>1,894,109</b>			
<b>Restricted funds</b>			
-	-	-	-

Total funds	2,126,210	172,985	(405,086)
1,894,109			

### Description of funds

The unrestricted general fund represents the 'free reserves' after allowing for all designated funds available to be spent at the discretion of the Council of Management.

The restricted funds related to grants and sponsorships given for specific purposes and which were spent on those purposes. There was no restricted fund income in the year nor were any restricted fund balances brought forward or carried forward.

## NOTES TO THE ACCOUNTS (continued)

For the year ended 31st March 2022

### 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Group General funds £	Group Restricted funds £	Total Group funds £	Charity General funds £	Charity Restricted funds £	Total Charity funds £
Intangible assets	12,123	-	<b>12,123</b>	-	-	-
Fixed assets	2,289	-	<b>2,289</b>	282	-	<b>282</b>
Fixed asset investments	490,232	-	<b>490,232</b>	552,462	-	<b>552,462</b>
Cash at bank and in hand	1,338,154	-	<b>1,338,154</b>		1,318,214	-
	<b>1,318,214</b>					
Other current assets	125,388	-	<b>125,388</b>	113,590	-	<b>113,590</b>
Creditors of less than one year	(121,465)	-(121,465)		(85,332)	-	
	<b>(85,332)</b>					
Provisions for liabilities	(5,107)	-	<b>(5,107)</b>	(5,107)	-	<b>(5,107)</b>
Total	<b>1,841,614</b>	-	<b>1,841,614</b>		<b>1,894,109</b>	-
	<b>1,894,109</b>					

### 3. FINANCIAL COMMITMENTS

#### Operating leases

The company had the following future minimum lease payments under non - cancellable operating leases for each of the following years:

	2022 £	2021 £
Payments due:		

Land and buildings: -

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**EIRIS FOUNDATION****(A Company Limited by  
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Not later than one year	11,204	-
Later than one year and not later than five years		33,612
Total	<u>44,816</u>	<u>-</u>

With regard to the premises lease, the company can end the lease earlier than the agreed date after a written notice period of 3 calendar months and after it pays the rent charges accruing for the rent period (these amount to £3,359).

**NOTES TO THE ACCOUNTS** (continued)For the year ended 31st March 2022

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**20.DETAILS OF CONSOLIDATED SUBSIDIARIES**

<u>Name of company held</u>	<u>Country of</u>	<u>Details of</u>	<u>%</u>
		<u>incorporation</u>	<u>investment</u>
Ethical Investment Research Services (EIRIS) USA	USA	Membership	100%
EIRIS Conflict Risk Network	USA	Membership	100%

**Ethical Investment Research Services (EIRIS) USA**

The aggregate amount of capital and reserves at the year end and profit or loss for the year for EIRIS USA is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Aggregate amount of capital and reserves	<u>(2,388)</u>	<u>(5,364)</u>
Profit / (loss) for the year	<u>3,057</u>	<u>(4,746)</u>

The registered office of Ethical Investment Research Services (EIRIS) USA is Crown Colony Office Park 300 Congress Street, Suite 406, Quincy, MA 02169 USA.

**EIRIS Conflict Risk Network**

The aggregate amount of capital and reserves at the year end and profit or loss for the year for EIRIS Conflict Risk Network is as follows:



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**EIRIS FOUNDATION**  
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	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Aggregate amount of capital and reserves	-	(81)
	<u>          </u>	<u>          </u>
Profit / (loss) for the year	-	(28,179)
	<u>          </u>	<u>          </u>

The registered office of EIRIS Conflict Risk Network is Crown Colony Office Park 300 Congress Street, Suite 406, Quincy, MA 02169 USA.