

The Ethos Foundation

England & Wales · Charity number 1166697

Details

Other names	THE REEKIMLANE FOUNDATION
Status	Registered
Legal form	CIO
Registered	2016-04-22
Register	View on the Charity Commission register

Contact

Address	The Ethos Foundation C/O WINSTON HAZELTON & CO LTD 34 Arlington Road London NW1 7HU
Phone	07802208276
Email	Info@ethosfoundation.org.uk
Website	www.ethosfoundation.org.uk

Activities

Objects: SUCH EXCLUSIVELY CHARITABLE PURPOSES FOR THE PUBLIC BENEFIT ACCORDING TO ENGLISH LAW AS THE CHARITY TRUSTEES SHALL IN THEIR ABSOLUTE DISCRETION DETERMINE.

Activities: Supporting local communities and society in general.

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Scotland
- United States
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-09-30	£1,091,061	£3,518,808	£58,474,863	2
2024-09-30	£1,129,373	£3,124,505	£57,341,797	1
2023-09-30	£1,301,378	£4,063,792	£54,656,274	0
2022-09-30	£58,691,191	£2,033,226	£56,826,452	0
2021-09-30	£999,999	£1,394,887	£168,487	0
2020-09-30	£999,999	£1,037,739	£563,375	0

Trustees

Name	Role	Appointed
GRANT EDWARD GORDON	Chair	2016-07-28
BRIGITTE GORDON		2016-07-28
Katie Louise Oliver		2025-09-10
Lucy Blythe		2016-07-28
Luka Gakic		2021-06-28

Accounts

ETHOS

FOUNDATION

A Charitable Incorporated Organisation (CIO)

Charity Number
1166697

Report of the Trustees and Audited Accounts

Year ended 30 September 2025

The Ethos Foundation

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The Ethos Foundation Charity Information

Charity number

1166697

Trustees

G E Gordon OBE - Chair

B Gordon

L Blythe

L Gakic

K L Oliver (appointed 10 September 2025)

Principal address

Fivefields

8-10 Grosvenor Gardens

London

SW1W 0DH

Registered office

34 Arlington Road

London

NW1 7HU

Auditors

Xeinadin Audit Limited

Chartered Accountants

5 Technology Park

Colindeep Lane

Colindale

London

United Kingdom

NW9 6BX

Accountants

Winston Hazelton & Co Ltd

Chartered Certified Accountants

34 Arlington Road

London

NW1 7HU

Bankers

Barclays

1 Churchill Place

London

E14 5HP

Solicitors

Bates Wells

10 Queen Street Place

London

EC4R 1BE

Investment management

W1M Wealth

16 Babmaes Street

St. James's

London

SW1Y 6AH

Website

<https://ethosfoundation.org.uk>

The Ethos Foundation, Registered Charity Number: 1166697 Trustees' Report

The trustees present their report and accounts for The Ethos Foundation (the "Foundation") for the year ended 30 September 2025

This document includes commentary on the financial and strategic position of the Foundation, including its work and achievements during the last financial year.

The trustees have adopted the provisions of the Statement of Recommended Practice (FRS 102 Charities SORP) on "Accounting and Reporting by Charities", effective 1 January 2019, in preparing the annual report and financial statements of the Foundation.

Structure, Governance and Management

Structure and Governance

The Foundation was incorporated on 22 April 2016 as a Charitable Incorporated Organisation (CIO) with the Charity Commission in England. The Charity registration number is 1166697, the CIO number is CE006474, and it is governed by its constitution, also dated 22 April 2016.

The registered office is situated at 34 Arlington Road, NW1 7HU.

The trustees, who are also the members of the Foundation, have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

The number of trustees shall not be less than three, and there is no maximum number. Trustees must include at least one Independent Trustee, who must not be a member of the Founder Members' family or a connected person.

The first trustees are the Founder Members; Grant Gordon OBE and Brigitte Gordon. Lucy Blythe was appointed as an Independent Trustee in 2016. Luka Gacic, the Founder Members' son-in-law, was appointed to the Board of Trustees in 2021 and chairs the Foundation's Investment Committee. Katie Oliver was appointed as an Independent Trustee in September 2025.

All trustees give their time freely, and no trustee receives remuneration, aside from reimbursement of reasonable expenses associated with their role. Details of trustee expenses are disclosed in Note 6 to the accounts.

The Foundation has implemented policies and procedures for the induction and training of both new and existing trustees. These are now formalised within the Foundation's people policies.

Governance and operating principles

Trustees have continued to reflect broadly on the goals of the Foundation and how best to focus efforts to fulfil the Foundation's founding vision of a society where individuals and communities thrive.

Key management personnel

The trustees appointed their first member of staff - a Foundation Director, Sarah Blackwood - in the previous financial year (June 2024). In January 2025, a Finance and Operations Manager, Saada Ibrahim, was appointed. These two roles make up the total Foundation staff team of paid permanent employees. Both post-holders work part-time. Whilst the Foundation retains flexibility to increase the working patterns of the existing roles, there are no current plans to recruit for additional roles.

The Ethos Foundation, Registered Charity Number: 1166697

Trustees' Report

Structure, Governance and Management, cont.

Key management personnel, cont.

Responsibility for designing and delivering the Foundation's strategy, partnership development, and day-to-day operations is delegated to the staff team, with appropriate oversight from Trustees.

In terms of employee remuneration, staff salaries are reviewed annually as part of the budget-setting process, with consideration to individual performance (formalised through annual appraisals), market benchmark data (Association for Charitable Foundations annual salary benchmarking reports), and inflation (Consumer Price Index).

Strategy: Objectives and Aims

Values

The Foundation's work continues to be underpinned by a multi-generational family commitment to philanthropy and a set of core, consistent values:

- Fairness - striving for greater equity and justice
- Good citizenship – putting our responsibility to society first
- Reflectiveness - building our knowledge and challenging ourselves

The trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant-making policy for the year.

The trustees are satisfied that the objectives of the Foundation are met by supporting organisations aligned with their impact goals that demonstrate good governance and leadership in which the Board has confidence. Grantees are invited to apply once identified through research and knowledge of the ecosystem. The Foundation does not accept unsolicited grant applications or proposals for funding.

Strategic Development

The Foundation was set up in 2016 as a UK-based family foundation with the vision of a society where individuals and communities thrive. In 2022, the Founder Member Grant Gordon OBE donated an endowment to the Foundation to use in pursuit of this vision. The Foundation's strategy is aligned with the mandate to spend down all the assets within this endowment before 31 December 2035.

During the financial year 2024–2025, the trustees and staff invested time and effort in organisational development to underpin the Foundation's strategy for the coming ten years of the endowment's spend down, building on learning from work to date and existing partnerships. The vision, mission and goals are set out below, and looking ahead, the implementation of the updated strategy began at the start of the 2025–2026 financial year.

Vision, Mission and Goals

The Foundation's vision is a society without child poverty, where all children thrive.

The Foundation's mission is to improve early childhood outcomes in the UK by uniting diverse coalitions and partners, in the service of parents, communities and society.

The Ethos Foundation, Registered Charity Number: 1166697 Trustees' Report

Strategy: Objectives and Aims, cont.

Vision, Mission and Goals, cont.

The Foundation's goals are to put early childhood at the centre of unified:

- Support - joining up services for children and families alongside engaged communities.
- Contexts - creating nurturing environments that shape young children's lives.
- Stories - increasing understanding and prioritisation of early childhood.

Alongside spending on early childhood-focused work, the Foundation makes a wide range of smaller family donations to a diverse set of organisations helping individuals and communities thrive.

The trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and setting the strategic objectives and grant-making policy for the year.

Principal Activity, Review of Business and Achievements and Performance

Approach

The Foundation is primarily a grant-making charity, operating as a trust-based donor. With its funded partners, it seeks organisations aligned with its vision and mission, supported by good governance and strong leadership. In most partnerships, the Foundation contributes multi-year, unrestricted funding, establishing close working relationships and a collaborative approach directed towards shared impact goals. A smaller proportion of funded partnerships is restricted to specific programmes or projects. Smaller donations are one-off and without conditions.

From time to time, the Foundation has identified new focus areas and will conduct research and due diligence to identify partners best placed to make a difference within a particular area of need. Those identified will be invited to apply for support and partnership. Upon invitation, prospective partners collaborate with staff to prepare proposals for a partnership that are reviewed and agreed upon by trustees.

Trustees and staff regularly assess all large grant applications, with reference to a set of guidelines used as a framework for grant-making decisions.

Achievements and performance

Headline Grant-making

During the Foundation's financial year, donations were made to 31 organisations totalling £2,995,063. These organisations included strategic partners, smaller grants, and memberships of sector networks and associations. In addition, the Foundation committed £170,000 towards the Start Strong programme, which also received contributions from other funders; £85,073 was spent on the programme during the year.

To manage the development of the Foundation's long-term strategy, maximise the impact of our current grant-making activities, and steward relationships with our portfolio of charity partners, the Foundation incurred a total of £201,954 in support costs during the year (2024: £121,118).

The Ethos Foundation, Registered Charity Number: 1166697 Trustees' Report

Achievements and performance, cont.

Headline Grant-making, cont.

In addition to support costs, £213,853 (2024: £261,385) was paid in investment management fees to W1M, an independent investment management firm. W1M manage the Foundation's investments, which totalled £58 million at the end of the financial year, to preserve and increase their value, in accordance with the investment policy detailed in this report.

Charity Partnerships - Funded Strategic Partners

During the year, the Foundation continued to support three strategic partnerships with which it has worked since each of these organisations' inception:

The Childhood Trust ("the Charity") received £1,100,000 (2024: £803, 000) in unrestricted funding. The Childhood Trust is London's child poverty charity, dedicated to alleviating the impact of poverty on children and young people living in the UK's capital. The Charity is guided by the aim that every child in the nation's capital should have a healthy, happy, and safe childhood so that all children are prepared for life.

The Foundation helped underwrite the Charity's core costs as well as supporting its match funding campaigns with the Big Give which fund the delivery of projects across all London boroughs. Trustees recorded their continued satisfaction with the performance of the Charity against a backdrop of challenging circumstances for children and young people, including persistent high rates of child poverty in London.

The Charity's advocacy work, including the annual London Child Poverty Summit, continued to provide channels for London's children to have a voice, enabling their experiences and views to raise awareness on the devastating impact of child poverty in the nation's capital and inform public policy.

For further details visit: <https://www.childhoodtrust.org.uk/>

Thrive at Five ('the Charity') was granted £300,000 (2024: £150,000) by the Foundation as the second instalment of a three-year unrestricted grant agreement. This grant is part of a total commitment of up to £2,000,000 to support Thrive at Five's organisational development over the 2024–2027 period, in line with their business plan.

The Charity entered its fourth year of operation in its work to support sustainable improvements in school readiness in our nation's most disadvantaged communities. The overarching vision for Thrive at Five is a society where every child, irrespective of their circumstances and family background, can thrive and achieve their full potential. The Charity is scaling up its work through its backbone organisation pathfinder partnerships with 3 local authorities.

The Stoke-on-Trent partnership, which entered its fourth year, demonstrated measured improvements in school readiness as measured by GLD (EYFS General Level of Development) across the 7 schools in its area of operation. The 2nd pathfinder area in Redcar & Cleveland moved from a discovery phase to implementation, guided by the Thrive at Five's playbook, while adapting to the needs of the local community. Scoping work continued in other places, including Middlesbrough and Scotland, to extend the Charity's work in support of disadvantaged communities, continuing to test, learn and define Thrive at Five's collective impact-based implementation model.

For further details visit <https://thriveatfive.org.uk/>

The Ethos Foundation, Registered Charity Number: 1166697 Trustees' Report

Charity Partnerships - Funded Strategic Partners, cont.

The Cabrach Trust ("the Trust") received a total of £791,201 in grants (2024: £1,000,000), including the final tranche of a share of the capital funding to establish the Cabrach Distillery & Heritage Centre in the community. The first stage of this strategic capital project was completed.

The Trust's vision and long-term ambition is to foster sustainable regeneration within this small rural community in NE Scotland. The Trust's mission is to provide economic and social development opportunities in the Cabrach: creating employment; attracting new visitors and residents to the depopulated community; and celebrating the area's cultural history and heritage, as well as promoting nature recovery and preserving the area's wild landscape.

In terms of charitable activities, during the year the Trust continued to deliver a broad range of activities supporting community engagement and well-being, as well as the sustainability of the local natural & built environment.

For further details, visit: <https://cabrachtrust.org/>

Charity Partnerships - Other Funded Partnerships

The wider portfolio of the Foundation's partnerships funded during the year encompassed:

The Centre for Young Lives is an independent think tank dedicated to improving the lives of children, young people and families in the UK, particularly those facing the biggest challenges. This year, the Foundation provided unrestricted funding to support the Centre's work, including its research and advocacy, which helped to inform HM Government's Best Start in Life early years strategy.

New Philanthropy Capital (NPC) is a think tank and consultancy working with individuals and organisations to maximise their social impact. The Foundation supported NPC to continue its work to bring philanthropy, business and government together to develop the UK's Impact Economy.

Start Strong, a start-up initiative to shape communications, understanding and prioritisation of early childhood in the UK. The Foundation was one of five founder funders to support the programme's development, governance set-up and team recruitment. The Foundation also acts as the programme's financial host to help incubate the initiative during its development phase.

The Royal Foundation Centre for Early Childhood. The Foundation contributed to the Centre's work, which encompasses a broad range of activities around early years. This year's work included the continuation of the Shaping Us campaign, raising awareness of the unique importance of early childhood, and the Future Workforce Summit, bringing UK business leaders together to drive action and investment in the early years.

The Ethos Foundation, Registered Charity Number: 1166697 Trustees' Report

Charity Partnerships - Other Funded Partnerships, cont.

Learning with Parents. The Foundation provided support for this charity's Ready Teddy pilot programme, which uses a digital and data platform to engage families whose children are due to enter Reception year in activities that support school readiness and provide an earlier connection to school. The pilot showed success and has attracted additional funding from other parties for development and roll-out.

Dartington Service Design Lab. The Foundation has provided support over two years, to support the adoption and scale of the Common Outcomes for Children framework, hosted by Dartington. The framework provides a common approach, language and ways of measurement amongst stakeholders working with babies, children and young people.

Achieve Good. The Foundation granted support for the Impact Economy Policy Lab on Early Years, a collaborative design process facilitated by Achieve Good, with the Department for Education, philanthropists, social enterprises and charities to co-develop solutions to partner with HM Government to achieve its Best Start in Life mission. The Policy Lab co-developed four ideas that have been taken forward by the Department for Education into policy delivery. This includes a project to support early childhood collective impact backbone organisation models.

ReGenerate. The Foundation is two years into a three-year grant, which supports the Early Childhood Project that explores how businesses can improve early childhood development in a way that helps drive business success. This year, the programme launched a range of ideas on how businesses can support parents as employers, and more broadly have a positive impact on early childhood outcomes.

Early Childhood Funders Collective, hosted by the charitable foundation Collective Futures, is a network that aims to increase coordination and collaboration amongst UK funders focused on early childhood. The Collective's work includes an annual report providing an overview of funders' spending and a summary of the research and intelligence gathered by the network, shared as a public good.

Smaller Donations

The Foundation made several smaller donations totalling a further £154,500 in 2025 (2024: £310,000). These donations, which reflect the family's wider philanthropy, supported a range of charities helping individuals and communities thrive.

Philanthropic Memberships

The Foundation provided total funding of £22,029 during the year to contribute as active members of three philanthropic networks/sector associations: Systems Shift Group; Philanthropy Europe Association (Philea) and the Association of Charitable Foundations (ACF). Through these networks, the Foundation can learn and share experiences to increase the impact of its own activity, as well as contribute to a strong and progressive philanthropic community.

The Ethos Foundation, Registered Charity Number: 1166697

Trustees' Report

Charities Funded in the Year by the Foundation

Strategic Partners (unrestricted funding)

	£
The Childhood Trust	1,100,000
The Cabrach Trust	791,201
Thrive at Five	300,000
Centre for Young Lives	100,000
New Philanthropy Capital	50,000

Total Strategic partners (unrestricted funding)	2,341,201
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Strategic Partners (restricted project funding)

Centre for Early Childhood - The Royal Foundation	250,000
Ready Teddy - Learning with Parents	90,000
Common Outcomes for Children - Dartington Service Design Lab	35,000
Impact Economy Policy Lab on Early Years - Achieve Good Ltd	7,333
The Early Childhood Project - ReGenerate	75,000
Early Childhood Funders Group - Collective Futures	20,000

Total Strategic partners (restricted funding)	477,333
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Smaller donations

National Trust for Scotland	50,000
The King's Foundation	25,000
London Without Limits	10,000
Forward Global	9,000
Distillers' Charity	9,000
AllChild	5,000
The Foundling Museum	5,000
Royal Academy of Dance	5,000
Sistema Scotland	5,000
The Maclean Foundation	5,000
Kensington & Chelsea Foundation	5,000
Pimlico Opera	5,000
Ft Financial Literacy and Inclusion Campaign	5,000
The Prince's Trust	6,000
Haddo Arts	4,000
ORA Choir	1,250
My Name's Doddie Foundation	250

Total Smaller donations	154,500
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Philanthropic Memberships

System Shift Group Ltd	14,618
Philanthropy Europe Association	4,922
Association of Charitable Foundations	2,489

Total Philanthropic Memberships	22,029
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Total Granted	2,995,063
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The Ethos Foundation, Registered Charity Number: 1166697

Trustees' Report

Programme hosted by the Foundation (by Restricted Funds)

Start Strong Programme

85,073

Operational Management

Grant Making

The Foundation will normally apply most of its annual income to charitable causes selected by its trustees. Grant-making decisions will honour and build upon the Foundation's historic philanthropic efforts, including that of its strategic charity partners, to build positive social impact.

From time to time, the Foundation may identify new focus areas and will conduct research and due diligence to identify the charities best placed to make a difference within a particular area of need. Those identified will be invited to apply for support. Upon invitation, potential grantees are formally invited to work with the Foundation in preparing grant materials for proposal development and review by the trustees.

Trustees regularly assess all large grants made, ensuring that charities supported by the Foundation are well governed, have strong leadership and have sufficient reserves to provide for their financial sustainability following a set of guidelines as a framework for grant-making decisions.

Risk management

The trustees have a risk management strategy that comprises:

- Regular review of the risks that the Foundation may face.
- The establishment of systems and procedures to mitigate those risks identified.
- The implementation of procedures designed to minimise any potential impact on the Foundation should those risks materialise.
- Monitoring our charity partners and the impact of grants awarded

The key financial risk faced by the Foundation is that of volatility in equity and investment markets due to wider economic conditions, the attitude of investors to risk, and changes in sentiment concerning markets in general and within particular sectors or sub-sectors.

The Foundation's attitude to financial risk is described in its Investment policy below.

The key strategic risks faced by the Foundation are uncertainty inherent in deliberately pursuing a strategy aiming to change wider systems and in pursuing trust-based philanthropy. Both features of the Foundation's work means that there are factors influencing impact that are out of the organisation's control. To partially mitigate these risks, the Foundation maintains a strict focus – pursuing a smaller number of larger scale partnerships centred around the charity's mission. This provides time to build mutual understanding and intelligence with our strategic partners on their programmes, external contexts and wider relationships.

As part of ongoing work to operationalise its next ten-year strategy, the Foundation will keep its risk management approach under review and, going forward, make changes if required.

Conflict of interest

Conflict of interest is mitigated by keeping the conflict of interest register up to date and following procedures stated in the Constitution for trustees to abstain from certain decisions where a potential conflict exists. Founder Members or a member of the Founders' family shall not be in a position of conflict of interest merely by virtue of being a trustee of, or being otherwise connected with, a charity connected to a Founder Member or a member of the Founders' family.

The Ethos Foundation, Registered Charity Number: 1166697

Trustees' Report

Conflict of interest, cont.

This includes but is not limited to: The Childhood Trust (Registered Charity No 1154032), The Cabrach Trust (Scottish Charity no SC043771), Thrive at Five (Registered Charity No: 1195059) and The Distillers' Charity (Registered Charity No 1038763), where Grant Gordon is a trustee of each of these organisations.

Financial Review

Review of Statement of Financial Activities (Including Income and Expenditure Account)

Total income for the year was £1,091,061 (2024: £1,129,373) and total expenditure was £3,518,808 (2024: £3,124,505). The overall surplus was £1,133,066 after taking into consideration the gain on fixed assets of £3,560,813 (2024: £4,680,655).

Reserves at the year-end were £58,474,863, of which £58,129,936 was unrestricted and £344,927 restricted (2024: £57,341,797 all represented by unrestricted funds).

Unrestricted reserves included £5,020,000 of designated funds (2024: Nil).

Principal funding sources review

During the financial year, the Foundation's principal charitable funding came from interest and dividends totalling £831,061 (2024: £1,129,373), as well as £260,000 restricted donations for the Start Strong initiative that the Foundation is hosting.

The trustees are confident that the Foundation will continue to have sufficient funds to meet its grant obligations.

Reserves policy

The trustees seek to retain a prudent level of reserves while managing them in line with the Charity's spend-down policy, with the expectation that funds will be drawn down over time to deliver social impact.

The reserves policy accords with the Charity Commission's guidelines. Reserves levels are reviewed annually in line with an annual planning and budgeting process and monitored throughout the year. Reserves comprise unrestricted, designated, and restricted funds. Unrestricted funds are available for general use. Within these, the trustees may designate amounts for specific future purposes; such designated funds remain unrestricted but are not intended for general expenditure. Restricted funds are subject to donor-imposed conditions and can only be used for the specified purposes.

The year-end balances of each category are disclosed in the Financial Review above.

Fundraising

As the main source of funds for grant-making is from the Charity's annual income and related investment funds, the Foundation did not undertake any fundraising activities for itself. However, it supported our partners' fundraising to leverage additional scale and diversity of income using the Foundation's cornerstone funding commitments, including as match funding.

The Ethos Foundation, Registered Charity Number: 1166697

Trustees' Report

Investment policy

The trustees take a conservative view regarding the investment of funds. Under the Constitution, the Foundation has the power to make any investment which the trustees see fit after obtaining advice from a financial expert as the trustees consider necessary and are permitted to do by the Trustee Act 2000.

The trustee's Investment Committee maintained oversight of the Foundation's funds, which are managed by an independent investment manager, obtaining guidance from specialist financial management consultants.

The Foundation divides its investment funds into a short-term and a long-term fund.

The aim of the short-term fund is to safeguard approximately three years of expenditure with very low tolerance for volatility and risk of capital loss; and its performance is benchmarked against CPI measured over three years and the Asset Risk Consultants (ARC) Sterling Cautious index.

The aim of the long-term fund is to take advantage of the higher tolerance of volatility afforded by its longer-term time horizon in order to increase the Foundation's grant-making capacity through the spend-down period out to 31 December 2035; and its performance is benchmarked against CPI+2% and the ARC Sterling Balanced index.

For both the short-term and long-term funds, the investment manager will be expected to meet Ethos' investment objectives net of fees.

The Foundations' approach to responsible investment is guided by an Investment Policy Statement (IPS) approved by the trustees and implemented by its appointed discretionary investment manager. Ethos' IPS does not intend to list specific exclusions but expects that all appointed discretionary investment managers will:

- Focus on investing with companies that have sustainable economic prospects
- Focus on investing with companies that contribute to the well-being of society
- Actively manage their social and environmental risks, including in their supply chains
- Promote good corporate governance
- Vote (or abstain) on all shares, collaborating with others on contentious issues in pursuit of positive change
- Apply these principles to all investments, including credit funds.

Fixed Assets

During the year the Foundation has acquired one laptop computer.

Plans for future

The Foundation's investment funds constitute its pool of charitable resources for future grant-making. The funds provide the opportunity for the Foundation, which aims to spend down its endowment, to drive forward its mission to improve early childhood outcomes in the UK. It is still planned that these funds will be fully spent by 31st December 2035. The next year will be the first year operating against its ten-year strategy for spending down its funds. The Foundation aims to continue to pursue impact with its partners and continuously learn and improve its work to act as a funder of systemic change for children in the UK.

As part of operationalising the Foundation's strategy for the next decade, the organisation will shift towards a mission-aligned impact approach across all its investments and philanthropic donations.

The Ethos Foundation, Registered Charity Number: 1166697 Trustees' Report

Trustees

The trustees had no beneficial interest in the funds of the Charity and they were as follows:

G E Gordon OBE - Chair
B Gordon
L Blythe
L Gakic
K L Oliver (appointed 10 September 2025)

Trustees responsibilities

The trustees are responsible for preparing the report and accounts in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period. Under that law the trustees have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under the applicable law trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the income or expenditure of the charity for that period. In preparing these accounts, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles of Charities SORP
- Make judgements and estimates that are reasonable and prudent
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation
- State whether applicable Accounting Standards and Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Constitution and with the requirements of the Statement of Recommended Practice Accounting and Reporting by Charities, as well as that they are prepared in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).

They are also responsible for safeguarding the assets of the Foundation and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website.

The Ethos Foundation, Registered Charity Number: 1166697
Trustees' Report

Disclosure of information to auditors

All the trustees at the time this report was approved confirm that:

- So far as they are aware, there is no relevant information of which the Charity's auditors are unaware; and
- They have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

22 May 2026

This report was approved by the board on
and signed on its behalf.

DocuSigned by:

.....
G Gordon OBE
Founder Member

The Ethos Foundation

Independent auditors' report to the members of The Ethos Foundation

Opinion

We have audited the financial statements of The Ethos Foundation (the 'charity') for the year ended 30 September 2025 which comprise the statement of financial activities, balance sheet, cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 30 September 2025 and of its 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 trustees 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 trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- The information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

The Ethos Foundation

Independent auditors' report to the members of The Ethos Foundation

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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:

- The nature of the entity and whether the financial results of our client differed from sector trends;
- The legal and regulatory framework that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements;
- The matters discussed among the audit engagement team during the planning process regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Audit procedures performed included reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements; discussions with the charity on their own assessment of the risks that irregularities may occur either as a result of fraud or error, their assessment of compliance with laws and regulations and whether they were aware of any instances of non-compliance, including any potential litigation or claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates and business rationale of any significant transactions that are unusual or outside the normal course of business.

As a result of our assessment, it is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business. However, laws and regulations considered to have a direct effect on the financial statements included the Charities Act 2011 together with the Charities SORP (FRS 102).

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. There is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with the ISAs (UK).

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

The Ethos Foundation

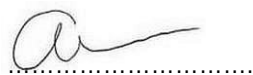
Independent auditors' report to the members of The Ethos Foundation

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Gedalia Waldman BA FCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited, Statutory Auditor

5 Technology Park
Colindeep Lane
Colindale
London
United Kingdom
NW9 6BX



Date 2 June 2026

Xeinadin Audit Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Ethos Foundation
Statement of Financial Activities
for the year ended 30 September 2025

	Notes	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
Income					
Income from:					
Donations		-	260,000	260,000	-
Income from investments	3	831,061	-	831,061	1,129,373
Total Income		<u>831,061</u>	<u>260,000</u>	<u>1,091,061</u>	<u>1,129,373</u>
Expenditure					
Expenditure on:					
Charitable activities	4	(3,390,740)	(85,073)	(3,475,813)	(3,093,451)
Other expenditure	4	(42,995)	-	(42,995)	(31,054)
Total Expenditure		<u>(3,433,735)</u>	<u>(85,073)</u>	<u>(3,518,808)</u>	<u>(3,124,505)</u>
Net incoming / (outgoing) resources		(2,602,674)	174,927	(2,427,747)	(1,995,132)
Other recognised gains/losses					
Net gains on fixed assets investments	8	<u>3,560,813</u>	<u>-</u>	<u>3,560,813</u>	<u>4,680,655</u>
Net movement in funds		958,139	174,927	1,133,066	2,685,523
Transfer between funds		<u>(170,000)</u>	<u>170,000</u>	<u>-</u>	<u>-</u>
		<u>788,139</u>	<u>344,927</u>	<u>1,133,066</u>	<u>2,685,523</u>
Reconciliation of funds:					
Total funds brought forward		57,341,797	-	57,341,797	54,656,274
Total funds carried forward		<u>58,129,936</u>	<u>344,927</u>	<u>58,474,863</u>	<u>57,341,797</u>

Continuing operations

All of the above results in the current and comparative years are derived from continuing activities.

Other recognised gains and losses

There were no other recognised gains or losses other than those stated above.

Movements in funds

Movements in funds are disclosed in Note 14 to the Accounts.

Comparative figures

See note 21.

The Ethos Foundation
Balance Sheet
as at 30 September 2025

Charity Number
1166697
CIO No CE006474

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Tangible assets	7		3,112		2,416
Investments	8		57,996,932		57,846,797
			58,000,044		57,849,213
Current assets					
Debtors	9	219,154		1,274	
Cash at bank and in hand		877,629		85,268	
		1,096,783		86,542	
Creditors: amounts falling due within one year					
	10	(621,964)		(593,958)	
Net current assets/(liabilities)			474,819		(507,416)
Net assets			58,474,863		57,341,797
Funds					
Restricted Funds	12		344,927		-
Unrestricted Funds	13		58,129,936		57,341,797
Total funds			58,474,863		57,341,797

22 May 202
Approved by the board on and signed on its behalf by:

DocuSigned by:

.....9E13364D4B0E4C9.....
G Gordon OBE
Founder Member

The Ethos Foundation
Cash Flow Statement
for the year ended 30 September 2025

	2025	2024
	£	£
Cash generated from operating activities		
Net income/(expenditure) for the reporting period	1,133,066	2,685,523
Adjustments for		
Depreciation	802	182
Dividends, interest and rents from investments	(831,061)	(1,129,373)
Investment management fees	213,853	261,385
Net gains on fixed assets investments	(3,560,813)	(4,680,655)
(Increase)/decrease in debtors	(217,880)	229
Increase in creditors	28,006	576,643
Net cash (used in)/provided by operating activities	<u>(3,234,027)</u>	<u>(2,286,066)</u>
Cash from investing activities		
Interest received	27,886	7,683
Purchase of tangible fixed assets	(1,498)	(2,598)
Proceeds from sale of investments	4,000,000	1,400,000
Net cash provided by/(used in) investing activities	<u>4,026,388</u>	<u>1,405,085</u>
Change in cash and cash equivalents in the reporting period	792,361	(880,981)
Cash and cash equivalents at the beginning of the reporting period	<u>85,268</u>	<u>966,249</u>
Cash and cash equivalents at the end of the reporting period	<u>877,629</u>	<u>85,268</u>
Consisting of:		
Cash at bank and in hand at end of the period	<u>877,629</u>	<u>85,268</u>

The Ethos Foundation

Notes to the Accounts

for the year ended 30 September 2025

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention (unless otherwise stated in the relevant policy or note) and 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 Republic of Ireland (FRS102) and the Charities Act 2011.

Presentation currency

The financial statements are presented in Sterling.

Public benefit entity

The Charity meets the definition of a public entity under FRS 102.

Going concern

The trustees consider that there are no material uncertainties related to event or conditions that cast significant doubt upon the Foundation's ability to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees considered the Charity's budget projection. The trustees made enquiries and have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Fund accounting

Unrestricted funds comprise income receivable or generated for the furtherance of the objects of the Charity without a specified purpose and are available as general funds. Expenditure which meet these criteria are charged to the funds, together with a fair allocation of support costs. Accumulated surpluses are available for use at the discretion of the trustees.

Designated funds are a type of unrestricted fund set aside by charity trustees for a specific future purpose; such designated funds remain unrestricted but are not intended for general expenditure.

Restricted funds are used for the specific purposes laid down by the donor (if any). Expenditure which meet these criteria are charged to the funds.

Income

Total income is included in the Statement of Financial Activities. Income comprises donations, interest and dividends to further the charity's objectives. Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered. Expenditure which is directly attributable to specific activities will be included in the relevant activity.

Support costs

These are management and administrative costs and comprise expenditure not directly attributable to the generated funds, charitable or fund raising activities of the Charity, but relate to furtherance of the Charity's objectives. They are therefore allocated to the relevant category of resources expended based on estimates of the time devoted to each activity.

The Ethos Foundation

Notes to the Accounts

for the year ended 30 September 2025

Accounting policies, cont.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Computers	over 5 years
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Fixed asset investments

Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The current market value is obtained from the statements prepared by the active fund managers.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening carrying value (or purchase date if later).

Financial instruments

a) Basic financial assets

Basic financial assets, including cash, bank balances, and debtors are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

b) Other financial assets and liabilities

Other financial assets and liabilities, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Financial Activities.

c) Basic financial liabilities

Basic financial liabilities, including accruals, are initially recognised at transaction price and subsequently carried at amortised cost, using the effective interest rate method. They are classified as current liabilities if payment is due within one year or less.

Cash at bank and in hand

Cash at bank and in hand includes bank balances held in current account and instant access deposit account. All of the amounts held on interest bearing deposit are available to spend on charitable activities.

Creditors

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.

The Ethos Foundation

Notes to the Accounts

for the year ended 30 September 2025

Accounting policies, cont.

Taxation

The Foundation is not liable to corporation tax as it is a Registered Charity.

The Foundation is not VAT registered and can therefore not recover input tax on goods and services purchased.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

2 Significant judgements and estimates

Preparation of the financial statements requires trustees to make significant judgements and estimates in determining the carrying amounts of certain assets and liabilities. Trustees make assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The trustees' estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically.

Support costs:

Costs such as travel, consultancy fees and subscriptions are allocated to the relevant activity based on estimates by the trustees of time they devoted to charitable activities – 90% of the time spent and other expenditure -10% of the time spent.

3 Analysis of income

	2025 £	2024 £
<i>Income from investments:</i>		
Investment income dividends	569,725	652,570
Investment income interest	233,450	469,120
Bank and other interest	27,886	7,683
	<u>831,061</u>	<u>1,129,373</u>

The Ethos Foundation

Notes to the Accounts

for the year ended 30 September 2025

4 Analysis of expenditure

	Charitable activities	Support costs	2025 Total costs	2024 Total costs
	£	£	£	£
Charitable donations - unrestricted	2,973,034	-	2,973,034	2,723,000
Charitable donations - restricted	85,073	-	85,073	-
Wages and salaries	-	91,092	91,092	18,397
Employer's NI	-	8,899	8,899	1,206
Pensions	-	4,571	4,571	785
Insurance	-	48	48	-
Travel and subsistence	-	7,856	7,856	3,996
Consultancy and organisational development	-	50,031	50,031	64,806
Accommodation, services and venue hire	-	3,546	3,546	4,943
Recruitment and HR costs	-	33,150	33,150	18,216
IT, software, website and social media costs	-	1,959	1,959	3,263
Depreciation	-	802	802	182
Subscriptions				5,324
Memberships with other charitable organisations given as donations	22,029	-	22,029	-
	3,080,136	201,954	3,282,090	2,844,118
<u>Investment fees and gifting costs:</u>				
Investment management fees	213,853	-	213,853	261,385
Charity platforms administrative charges	65	-	65	60
	213,918	-	213,918	261,445
<u>Governance cost:</u>				
Audit and accounting fees	-	22,800	22,800	18,942
	3,294,054	224,754	3,518,808	3,124,505

	Unrestricted funds:	Restricted funds:	Allocations 2025	Total costs 2025	Total costs 2024
	£	£	£		£
Charitable activities					
Charitable donations	2,973,034	85,073			2,723,000
Memberships with other charitable organisations given as donations	22,029	-			-
Investment fees and gifting costs: 100%	213,918	-			261,445
Support costs: 90% of support costs	181,759	-	(181,759)		109,006
	3,390,740	85,073			3,093,451
Other expenditure					
Support costs: 10% of support costs	20,195	-	(20,195)		12,112
Governance costs: 100% of governance costs	22,800	-	(22,800)		18,942
	42,995	-			31,054
Total expenditure	3,433,735	85,073	-	3,518,808	3,124,505

Support costs include all expenditure not directly related to the charitable activity. These are allocated to the relevant activity based on estimates of time devoted to each activity.

All grants given were to charitable institutions. Details and reconciliations of material grants given are presented and reconciled in the Trustees' Annual Report.

The Ethos Foundation

Notes to the Accounts

for the year ended 30 September 2025

5 Net movement in funds	2025 £	2024 £
This is stated after charging:		
Accountancy services	11,664	9,048
Audit fee	11,136	9,894
	<u>22,800</u>	<u>18,942</u>

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2025 £	2024 £
Wages and salaries	91,092	18,397
Employer's NI	8,899	1,206
Pensions	4,571	785
Travel and subsistence - staff	6,706	2,158
Travel and subsistence - trustees	1,150	1,838
Consultancy and organisational development - trustees	771	-
IT, software, website and social media costs - trustees	259	-
	<u>113,448</u>	<u>24,384</u>

The Charity had two employees (Headcount FTE:1.4) during the year in the roles of Foundation director and Foundation financial and operations manager who comprised the key management personnel (2024: one, headcount FTE 0.8).

Total cost to employ the charity's key management personnel: £104,562 (2024: £20,388).

The average number of trustees during the year was 4 (2024: 4). The trustees did not receive any remuneration for services to the Charity in the year. During the year the Trustees spent their time on governance, fundraising and representation.

One trustee received re-imbursement for travel and conference expenses in the year (2024: 2). The charity paid for a trustee to attend an international forum event on its behalf. The charity covered software security for two trustees' laptops, which are used to access and manage the charity's financial

7 Tangible fixed assets

	Computer Equipment £
Cost	
At 1 October 2024	2,598
Additions	<u>1,498</u>
At 30 September 2025	<u>4,096</u>
Depreciation	
At 1 October 2024	182
Charge for the year	<u>802</u>
At 30 September 2025	<u>984</u>
Net book value	
At 30 September 2025	<u>3,112</u>
At 30 September 2024	<u>2,416</u>

The Ethos Foundation

Notes to the Accounts

for the year ended 30 September 2025

8 Fixed assets - Investments	2025 £	2024 £
Market value brought forward	57,846,797	53,705,837
Additions to investments at cost	803,175	1,121,690
Disposals at carrying value	(4,213,853)	(1,661,385)
Net gains on fixed assets investments	3,560,813	4,680,655
Market value carried forward	57,996,932	57,846,797

Net gains on fixed assets investments	2025 £	2024 £
Gains on revaluation of fixed assets investments	3,583,637	4,684,247
Losses on foreign exchange within fixed assets investments	(22,824)	(3,592)
	3,560,813	4,680,655

Fixed asset investments are revalued and stated at market value at the balance sheet date. In terms of assessing the portfolio's market value, the portfolio's management team is relied upon.

The risk from financial instruments is considered in the Trustees report. The Foundation's Investment Committee mitigates these risks by retaining W1M Wealth as discretionary fund management. As Ethos' fund managers W1M Wealth operate an investment policy, approved by trustees, that provides for low to medium risk and a high degree of diversification of holdings within investment asset classes, and has due regard to sustainability and responsible investment as it relates to environmental, social and governance issues.

Investments by type

W1M Wealth: The Ethos Foundation (Bonds):

The investment policy for the above portfolio is a fixed interest mandate for those who require low risk to capital in nominal terms.

Risk profile - Low Volatility.

W1M Wealth: The Ethos Foundation (Cautious):

The investment policy for the above portfolio is a medium risk mandate for clients who wish to have some participation in the higher returns available from equities, but prefer a more cautious stance than the typical "Balanced" investor.

Risk profile - Medium/low volatility; highly diversified.

	2025 £	2024 £
Market value carried forward	Market value carried forward	Market value carried forward
<u>W1M Wealth: The Ethos Foundation (Bonds):</u>		
- Total Securities	17,941,494	17,178,322
- Total Cash	21,481	19,683
	17,962,975	17,198,005
<u>W1M Wealth: The Ethos Foundation (Cautious):</u>		
- Total Securities	39,109,167	40,210,416
- Total Cash	920,201	436,766
- Income due from dividends not yet paid	4,589	1,610
	40,033,957	40,648,792
Total market value carried forward	57,996,932	57,846,797

The Ethos Foundation

Notes to the Accounts

for the year ended 30 September 2025

9 Debtors

	2025 £	2024 £
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Prepayments and accrued income	219,154	1,274
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10 Creditors: amounts falling due within one year

	2025 £	2024 £
--	-----------	-----------

Trade creditors	35,000	-
Accruals	586,964	593,958
	<u>621,964</u>	<u>593,958</u>

11 Financial instruments

	2025 £	2024 £
--	-----------	-----------

Financial assets:		
Financial assets measured at amortised cost	1,096,783	86,542
Financial assets measured at fair value	57,996,932	57,846,797
	<u>59,093,715</u>	<u>57,933,339</u>

Financial liabilities:		
Financial liabilities measured at amortised cost	621,964	593,958
	<u>621,964</u>	<u>593,958</u>

12 Restricted Funds

	Funds brought forward at 1 October 2024 £	Income from Donations £	Movement in funds Total Expenditure £	Transfers between Funds £	Funds carried forward at 30 September 2025 £
Start Strong	-	260,000	(85,073)	170,000	344,927
Total	-	260,000	(85,073)	170,000	344,927

Description of the Start Strong Programme is already included in the Trustees' Report. Please refer to the Trustees' Report for full details.

The Ethos Foundation

Notes to the Accounts

for the year ended 30 September 2025

13 Unrestricted Funds	2025 Unrestricted General £	2025 Unrestricted Designated £	2025 Total Funds £	2024 Total Funds £
At the beginning of year	57,341,797	-	57,341,797	54,656,274
Resources incoming	831,061	-	831,061	1,129,373
Resources outgoing	(3,433,735)	-	(3,433,735)	(3,124,505)
Transfer to Restricted Funds	(170,000)	-	(170,000)	-
Net gains on fixed assets investments	3,560,813	-	3,560,813	4,680,655
Transfer to Unrestricted - Designated funds	(5,020,000)	5,020,000	-	-
At the end of the year	<u>53,109,936</u>	<u>5,020,000</u>	<u>58,129,936</u>	<u>57,341,797</u>

In total, the Foundation has designated funds of £5,020,000 (2024: £Nil) relating to committed grants included within unrestricted reserves as at the year end.

14 Analysis of net assets between funds	2025 Unrestricted Funds £	2025 Restricted Funds £	2025 Total Funds £	2024 Total Funds £
Tangible assets	3,112	-	3,112	2,416
Investments	57,996,932	-	57,996,932	57,846,797
Current assets	742,406	354,377	1,096,783	86,542
Creditors: amounts falling due within one year	(612,514)	(9,450)	(621,964)	(593,958)
	<u>58,129,936</u>	<u>344,927</u>	<u>58,474,863</u>	<u>57,341,797</u>

15 Charity information

The Ethos Foundation is a Charitable Incorporated Organisation (the CIO) which has a principal office in England. Registered office is at 34 Arlington Road, London, NW1 7HU. The Foundation's principal address is Fivefields, 8-10 Grosvenor Gardens, London, SW1W 0DH.

16 Transactions with trustees

There were no transactions with any trustee in the year or previous year other than disclosed in note 6.

17 Liability of members

The members of the Charity (being the Charitable Incorporated Organisation, the CIO) have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities on winding up.

The Ethos Foundation

Notes to the Accounts

for the year ended 30 September 2025

18 Connected charities

Some Trustees of the Charity are also Trustees of other organisations that received material donations during the year. These include The Childhood Trust (Registered Charity 1154032) which received £1,100,000, The Cabrach Trust (Scottish Charity SC043771) which received £791,201, Thrive at Five (Registered Charity 1195059) which received £300,000, and The Distillers' Charity (Registered Charity No 1038763) which received £9,000.

These donations were made in the normal course of the Foundation's charitable activities. No amounts were outstanding at the year-end, except as disclosed under future commitments.

19 Commitments to Multi-Year Donations

No liability has been recognised in respect of the following multi-year grants, as payments are conditional upon recipients meeting specified requirements. The charity has committed to provide funding to a number of partner organisations over multiple years, subject to agreed conditions and reporting requirements. These include:

- A commitment of £1,250,000 to The Royal Foundation for the period 2026 to 2028, payable subject to bi-monthly review meetings and submission of a final financial report.
- A commitment of £30,000 to Ready Teddy – Learning with Parents, payable upon receipt of the final project output (December 2025).
- A commitment of £40,000 to Collective Futures – Early Childhood Funders Group for the period 2026 to 2028, subject to delivery of agreed outputs.
- A commitment of £600,000 to The Childhood Trust for the period 2025 to 2026, subject to check-in meetings and submission of the annual report.
- A commitment of £750,000 to The Cabrach Trust for the period 2026 to 2028, subject to check-in meetings.
- A commitment of £1,550,000 to Thrive at Five for the period 2026 to 2027, conditional on submission of annual accounts and impact reporting to Ethos, as well as review of spend, learning cycles, and strategy development.
- A commitment of up to £525,000 per year for 2 years to Multibank UK for the period 2026 to 2028, payable as match funding for actual funds raised, up to the annual limit.
- A commitment of £200,000 to Centre for Young Lives for the period 2026 to 2028, subject to check-in meetings and submission of annual impact reports.
- A commitment of £75,000 to ReGenerate Trust for the period 2026 to 2027, payable subject to subject to ReGenerate securing co-funding to meet needs of budget.

20 Accounting period

30 September continued to be a preferred date to report the achievements of the Charity.

The Ethos Foundation

Notes to the Accounts

for the year ended 30 September 2025

21 Statement of Financial Activities

for the year ended 30 September 2024 (comparative figures)

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £
Income				
Income from:				
Income from investments	3	1,129,373	-	1,129,373
Total Income		<u>1,129,373</u>	<u>-</u>	<u>1,129,373</u>
Expenditure				
Expenditure on:				
Charitable activities	4	(3,093,451)	-	(3,093,451)
Other expenditure	4	(31,054)	-	(31,054)
Total Expenditure		<u>(3,124,505)</u>	<u>-</u>	<u>(3,124,505)</u>
Net incoming/(outgoing) resources		(1,995,132)	-	(1,995,132)
Other recognised gains				
Net gains on fixed assets investments	8	4,680,655	-	4,680,655
Net movement in funds		<u>2,685,523</u>	<u>-</u>	<u>2,685,523</u>
Reconciliation of funds:				
Total funds brought forward		54,656,274	-	54,656,274
Total funds carried forward		<u>57,341,797</u>	<u>-</u>	<u>57,341,797</u>

Accounts

Charity Number
1166697



A Charitable Incorporated Organisation (CIO)

Report of the Trustees and Audited Accounts

Year ended 30 September 2024

The Ethos Foundation
Report of the Trustees and Audited Accounts
Year ended 30 September 2024

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The Ethos Foundation Charity Information

Charity number

1166697

Trustees

G E Gordon OBE - Chair
B Gordon
L Blythe
L Gakic

Principal address

Fivefields
8-10 Grosvenor Gardens
London
SW1W 0DH

Registered office

34 Arlington Road
London
NW1 7HU

Auditors

Grunberg & Co Limited
Chartered Accountants
5 Technology Park
Colindeep Lane
Colindale
London
United Kingdom
NW9 6BX

Accountants

Winston Hazelton & Co Ltd
Chartered Certified Accountants
34 Arlington Road
London
NW1 7HU

Bankers

Barclays
1 Churchill Place
London
E14 5HP

Solicitors

Bates Wells
10 Queen Street Place
London
EC4R 1BE

Investment management

Waverton Investment Management Ltd
16 Babmaes Street
St. James's
London
SW1Y 6AH

Website

<https://ethosfoundation.org.uk>

The Ethos Foundation

Registered Charity number: 1166697

Trustees report

The trustees present their report and accounts for The Ethos Foundation (the 'Foundation') for the year ended 30 September 2024.

This report incorporates the strategic report of the Foundation, including its achievements and plans.

The trustees have adopted the provisions of the Statement of Recommended Practice (FRS 102 Charities SORP) on "Accounting and Reporting by Charities", effective 1 January 2019, in preparing the annual report and financial statements of the Foundation.

Structure, Governance and Management

Structure and organisation

The Foundation was incorporated on 22 April 2016 as a Charitable Incorporated Organisation (CIO) with the Charity Commission in England. The charity registration number is 1166697 and the CIO number is CE006474.

The Foundation is governed by its Constitution dated 22 April 2016.

The registered office is situated at 34 Arlington Road, NW1 7HU.

The trustees who are also the members of the Charity have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

The number of trustees shall not be less than three. There is no maximum number.

The Foundation is under the overall control of the trustees who are responsible for the affairs of the charity, executed through a small staff team. The trustees meet regularly to set the policy and overall direction of the Foundation, to review its plans and to discuss the management of the organisation's affairs.

The first trustees are the Founder Members, and they are Grant Gordon OBE and Brigitte Gordon. The Founder Members must appoint at least one Independent Trustee, who must not be a member of the Founder Members' family or a connected person. Lucy Blythe was appointed as an Independent Trustee in 2016. Luka Gakic, the Founding Members' son-in-law appointed in 2021, chairs the Charity's investment committee.

The Foundation has implemented policies and procedures for the induction and training of both new and existing trustees.

All trustees give their time freely and no trustee receives remuneration in the year, aside from reasonable expenses associated with their role. Details of trustee expenses are disclosed in Note 6 to the accounts.

Governance and operating principles

Trustees have continued to reflect broadly on the goals of the Foundation and how best to focus efforts to fulfil the Foundation's vision of a society where individuals and communities thrive.

The Ethos Foundation

Registered Charity number: 1166697

Trustees report

Structure, Governance and Management, cont.

Key management personnel

Since July 2024, the trustees are supported by a newly created paid role of Foundation Director. In terms of remuneration the salary of the Foundation's Director has been benchmarked against similar positions in other non-profit organisations. This is kept under review.

Objectives and Aims

Principal Objectives and Aims

The Ethos Foundation's vision is a society in which individuals and communities thrive. The Foundation's mission is to promote the security and well-being of society and our activities are focused exclusively on projects addressing societal issues in the UK.

Our work is informed by a multi-generational family commitment to philanthropy and is underpinned by our values:

- Fairness - striving for greater equity and justice
- Good citizenship – putting our responsibility to society first
- Reflectiveness - building our knowledge and challenging ourselves

Our overarching goal is to support the United Nations Sustainable Development Goals (SDGs) and in particular:

- SDG No. 1 No Poverty
- SDG No. 10 Reduce inequality

The trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant-making policy for the year.

The trustees are satisfied that the objectives of the Foundation are met by supporting organisations aligned with our impact goals that demonstrate good governance and leadership in which the board has confidence. Grantees are invited to apply once identified through research and deep knowledge of the ecosystem. The Ethos Foundation does not accept unsolicited grant applications or proposals for funding.

Principal Activity, Review of Business and Achievements and Performance

The Foundation is primarily a grant-making charity. The Foundation funds charitable causes and programmes selected by the trustees based on alignment with the Foundation's mission. The Foundation regularly monitors the impact of its grants. Beyond grant giving, the Foundation aims to make the most of its ability to act as an independent convener and spotlight for the organisations with whom it partners. An example of this is trustees supporting organisations to find co-funding that can come alongside Ethos' support. Another example is commissioning research and hosting events to bring greater attention to the work and broader missions of its partner organisations.

The successful appointment of Sarah Blackwood, who joined the Foundation as its first Foundation Director, was a key step in developing the Foundation's long-term strategic approach to its ten-year planned spend down of funds. The Director is not only responsible for the Charity's day-to-day operations, but also involved in strategic planning, deployment of funds and operational management.

The Ethos Foundation

Registered Charity number: 1166697

Trustees report

Principal Activity, Review of Business and Achievements and Performance, cont.

During the year, the Foundation began recruitment for a second member of paid staff – a Finance and Operations Manager - who was appointed following the end of the financial year.

Achievements and performance

During the Foundation's financial year, donations were made to 38 charities totalling £2,723,000 (2023: 41 charities totalling £3,867,352).

To help with the development of the Foundation's long-term strategy, manage our current grant-making activities and steward relationships with our portfolio of charity partners, the Foundation incurred a total of £121,118 in support costs during the year (2023: £48,845).

In addition to support costs, an amount of £261,385 (2023: £129,158) was paid in investment management fees to Waverton Investment Management Ltd, an independent investment management firm that manages the Charity investments in order to preserve and increase their value, in accordance with the Investment policy detailed in this report.

Portfolio of strategic charity partners

The Foundation continues to support three principal strategic partners with which we have worked over recent years. The funding relationship with each of the strategic partners is guided by a grant-agreement approved by the board either annually or for a longer period and grants to these organisations totalled £1,953,000. These grants are reviewed at least annually. The Chairman represents the Foundation on the boards of each organisation.

The Childhood Trust ('the Charity') received £803,000 (2023: £1,000,000) in unrestricted funding. The Childhood Trust is London's child poverty charity, dedicated to alleviating the impact of poverty on children and young people living in the UK's capital. The Charity is guided by the aim that every child in the nation's capital should have a healthy, happy, and safe childhood so that all children are prepared for life.

The Foundation helped underwrite the Charity's core costs as well as supporting its match funding campaigns with the Big Give which fund the delivery of projects across all London boroughs. Trustees recorded their continued satisfaction with the performance of the Charity against a backdrop of challenging circumstances for children and young people, including persistent high rates of child poverty in London at 35%, the 2nd highest rate nationally.

The Charity's advocacy work, including the annual London Child Poverty Summit, continued to provide channels for London's children to have a voice, enabling their experiences and views to inform public policy and raise awareness of the devastating impact of child poverty.

For further details visit: <https://www.childhoodtrust.org.uk/>

Thrive at Five ('the Charity') entered its fourth year of operation in its work to support sustainable improvements in school readiness in our nation's most disadvantaged communities. The overarching vision for Thrive at Five is a society that cherishes children's development in the early years and where every child, irrespective of their circumstances and family background, can thrive and achieve their full potential.

The Ethos Foundation

Registered Charity number: 1166697

Trustees report

Portfolio of strategic charity partners, cont.

Thrive at Five, cont.

The Charity has transitioned from initial startup into development and scaling its work. Its approach continues to be successfully piloted in Stoke-on Trent, in partnership with the Local Authority. A 2nd pathfinder area was secured in Redcar & Cleveland to further test & learn the approach guided by Thrive at Five's playbook. Scoping work continued in other places including Scotland to potentially extend the Charity's work in support of disadvantaged communities.

The charity was granted £150,000 (2023: £333,333) by the Foundation as the first instalment of a newly agreed £2 million three-year unrestricted grant agreement. Ethos Foundation's reduced donation is a testament to the success of Thrive at Five's general fundraising efforts.

For further details visit <https://thriveatfive.org.uk/>

The Cabrach Trust ('the Trust') received a total of £1,000,000 in grants (2023: £1,650,000), including the final tranche of capital funding to establish the Cabrach Distillery, which will be operated by the Trust's trading subsidiary, The Cabrach Distillery CIC. The Trust's vision and long-term ambition is to foster sustainable regeneration within this small rural community in NE Scotland. The Trust's mission is to provide economic and social development opportunities in the Cabrach: creating employment; attracting new visitors and residents to the depopulated community; and celebrating and protecting the area's cultural history and heritage, as well as its wild landscape.

In terms of charitable activities, during the year the Trust continued to deliver a broad range of activities supporting community engagement and well-being, as well as the sustainability of the local natural & built environment. The strategic capital project at the Cabrach Distillery approached completion and since the year-end the Distillery was officially opened, and production commenced.

For further details visit: <https://cabrachtrust.org/>

Other grants

In addition to its existing three strategic partners, the Foundation made other grants totalling £460,000 to organisations whose mission aligns with the work of Ethos focusing on systemic change related to child poverty and improving outcomes in children's early years.

This includes repeating our annual 'core funder' contribution to The Royal Foundation in recognition of a shared mission with its Center for Early Childhood. The Foundation also began a new multi-year restricted strategic grant to Regenerate, to scope and promote an increase in the role of industry in supporting children's early years. The Foundation established a co-funding partnership with the charitable foundation Collective Futures, to support joint work aiming to drive funder collaboration and bring together data to support cross-sector work on early childhood in the UK. Ethos also sponsored an interim review by the Centre for Social Justice of the Government's Family Hubs programme, published in October 2024 and Dartington Service Design Lab were funded to incubate the Common Outcomes for Children and Young People Collaborative project. The Foundation also granted support to Nesta for their New Era of Integration in Early Years project, adding a lived experience perspective.

In addition to these strategic partnership grants, the Foundation made a number of smaller grants totalling a further £310,000 in 2024 (2023: £384,019). These donations supported a range of charities, typically with unrestricted grants.

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Charities funded in the year

Strategic charity partners

	£
The Childhood Trust	803,000
The Cabrach Trust	1,000,000
Thrive at Five	150,000
Subtotal	1,953,000

Other early years related grants

ReGenerate Trust	100,000
Royal Foundation	100,000
Collective Futures	90,000
Nesta	80,000
Centre for Social Justice	55,000
Dartington Service Design Lab	35,000
Subtotal	460,000

Smaller grants

Royal Yacht Squadron Isle of Wight Foundation	80,000
National Trust for Scotland	50,000
West London Zone	20,000
Comic Relief	20,000
Distillers' Charity	12,500
The Foundling Museum	10,000
Andrew Simpson Foundation	10,000
Met Commissioner's Christmas Appeal	10,000
Home-Start UK	10,000
EPIC	10,000
New Philanthropy Capital	10,000
Forward Global	9,000
The Beacon Fellowship Charitable Trust	5,000
The Katherine Low Settlement	5,000
Lighthouse London Community Trust	5,000
Spring Community Hub	5,000
Beam Up Ltd	5,000
Kensington and Chelsea Foundation	5,000
Pimlico Opera - Primary Robins	5,000
Grange Park Opera	5,000
Spitalfields Music	4,000
Coigach Heritage	3,000
City of London Symphonia	3,000
Royal Philharmonic Orchestra	2,500
Opera Holland Park	2,500
Loughborough Community Centre	1,500
Swiss Benevolent Society	1,000
UK Sailing Academy	1,000
Subtotal	310,000

Total Granted	2,723,000
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The Ethos Foundation

Registered Charity number: 1166697

Trustees report

Grant Making

The Foundation will normally apply most of its annual income to charitable causes selected by its trustees. Grant-making decisions will honour and build upon the Foundation's historic philanthropic efforts, including that of its strategic charity partners, to build positive social impact.

From time to time, the Foundation may identify new focus areas and will conduct research and due diligence to identify the charities best placed to make a difference within a particular area of need. Those identified will be invited to apply for support. Upon invitation, potential grantees are formally invited to work with the Foundation in preparing grant materials for proposal development and review by the trustees.

Trustees regularly assess all large grants made, ensuring that charities supported by the Foundation are well governed, have strong leadership and have sufficient reserves to provide for their financial sustainability following a set of guidelines as a framework for grant-making decisions.

Risk management

The trustees have a risk management strategy that comprises:

- Regular review of the risks the Foundation may face and updates to the Risk Register
- The establishment of systems and procedures to mitigate those risks identified
- The implementation of procedures designed to minimise any potential impact on the Foundation should those risks materialise.
- Monitoring our charity partners and the impact of grants awarded

The key financial risk faced by the Foundation is that of volatility in equity and investment markets due to wider economic conditions, the attitude of investors to risk, and changes in sentiment concerning markets in general and within particular sectors or sub-sectors.

The Foundation's attitude to financial risk is described in its investment policy below.

Conflict of interest

Conflict of interest is mitigated by keeping the conflict of interest register up to date and following procedures stated in the Constitution for trustees to abstain from certain decisions if this is deemed necessary. Founder Members or a member of the Founders' family shall not be considered to be in a position of conflict of interest merely by virtue of being a trustee of, or being otherwise connected with, a charity connected to a Founder Member or a member of the Founders' family including but not limited to: The Childhood Trust (Registered Charity No 1154032), The Cabrach Trust (Scottish Charity no SC043771), Thrive at Five (Registered Charity No: 1195059) and The Distillers' Charity (Registered Charity No 1038763).

Financial Review

Review of Statement of Financial Activities (Including Income and Expenditure Account)

Total income for the year was £1,129,373 (2023: £1,301,378) and total expenditure was £3,124,505 (2023: £4,063,792). The overall surplus was £2,685,523 (2023: deficit £2,170,178).

Reserves at the year-end were £57,341,797 (2023: £54,656,274) all represented by unrestricted funds.

The Ethos Foundation

Registered Charity number: 1166697

Trustees report

Financial Review, cont.

Principal funding sources review

During the financial year the Foundation's principal charitable funding came from interest and dividends totalling to £1,129,373 (2023: £1,301,378) as well as drawdowns from capital reserves.

The trustees are confident that the Foundation will continue to have sufficient funds to meet its grant obligations.

Reserves policy

The trustees seek to retain a prudent level of reserves while managing them in line with the Charity's spend-down policy, with the expectation that funds will be drawn down over time to deliver social impact.

The reserves policy of the Foundation accords with the Charity Commission's guidelines. Unrestricted reserve levels are reviewed annually in line with an annual planning and budgeting process and monitored throughout the year. The Foundation intends to spend down its reserves by December 2035, as set out within its Investment Policy.

The balance of unrestricted reserves at the year-end is disclosed in the Financial Review above.

Fundraising

As the main source of funds for grant-making is from the Charity's annual income and related investment funds, the Foundation did not undertake any fundraising activities.

Investment policy

The trustees take a conservative view regarding the investment of funds. Under the Constitution, the Foundation has the power to make any investment which the trustees see fit after obtaining advice from a financial expert as the trustees consider necessary and are permitted to do by the Trustee Act 2000.

The trustee's Investment Committee maintained oversight of the Foundation's funds, which are managed by an independent investment manager, obtaining guidance from specialist management consultants.

Ethos divides its investment funds into a short-term and a long-term fund.

The aim of the short-term fund is to safeguard approximately three years of expenditure with very low tolerance for volatility and risk of capital loss; and its performance is benchmarked against CPI measured over three years and the Asset Risk Consultants (ARC) Sterling Cautious index.

The aim of the long-term fund is to take advantage of the higher tolerance of volatility afforded by its longer-term time horizon in order to increase Ethos' grant-making capacity through the spend-down period out to 31 December 2035; and its performance is benchmarked against CPI+2% and the ARC Sterling Balanced index.

For both the short-term and long-term funds, the investment manager will be expected to meet Ethos' investment objectives net of fees.

The Ethos Foundation

Registered Charity number: 1166697

Trustees report

Investment policy, cont.

Ethos' approach to responsible investment is guided by an Investment Policy Statement (IPS) approved by the trustees and implemented by its appointed discretionary investment manager. Ethos' IPS does not intend to list specific exclusions but expects that all appointed discretionary investment managers will:

- Focus on investing with companies that have sustainable economic prospects
- Focus on investing with companies that contribute to the well-being of society
- Actively manage their social and environmental risks, including in their supply chains
- Promote good corporate governance
- Vote (or abstain) on all shares, collaborating with others on contentious issues in pursuit of positive change
- Apply these principles to all investments, including credit funds.

Plans for future

The Foundation's investment funds constitute its pool of charitable resources for future grant-making. The funds provide the opportunity for the Foundation, which aims to spend down its endowment, to drive forward its mission to promote the security and well-being of society in the UK. It is planned that these funds will be fully granted by 31st December 2035.

Based on learning to date, and research and support commissioned from New Philanthropy Capital in 2024, trustees set some strategic principles for its work going forward and made the decision to recruit a small team of staff. The new Foundation Director is working with the Board to build the Foundation's ten-year strategy, which will aim to maximise the impact of its resources on its charitable mission. This strategy will be in line with the Foundation's ambition to fight childhood poverty in the UK, adhering to values of fairness, good citizenship and reflectiveness, building on work to date. Once agreed with the board, the strategy will be externally communicated and progressively operationalised. During the new financial year the board will be seeking to broaden its skills base by recruiting an additional independent trustee.

Fixed Assets

During the year the Foundation has acquired two laptop computers.

Trustees

The trustees had no beneficial interest in the funds of the Charity and they were as follows:

G E Gordon OBE - Chair
B Gordon
L Blythe
L Gakic

Trustees responsibilities

The trustees are responsible for preparing the report and accounts in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period. Under that law the trustees have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Ethos Foundation

Registered Charity number: 1166697

Trustees report

Trustees responsibilities, cont.

Under the applicable law trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income or expenditure of the company for that period. In preparing these accounts, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles of Charities SORP
- Make judgements and estimates that are reasonable and prudent
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation
- State whether applicable Accounting Standards and Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Constitution and with the requirements of the Statement of Recommended Practice (SORP 2005) Accounting and Reporting by Charities, as well as that that they are prepared in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).

They are also responsible for safeguarding the assets of the Foundation and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website.

Disclosure of information to auditors

All the directors at the time this report was approved confirm that:

- So far as they are aware, there is no relevant audit information 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.

19 May 2025

This report (including the strategic report) was approved by the board on
and signed on its behalf.



.....
G Gordon OBE
Founder Member

The Ethos Foundation

Independent auditors' report to the members of The Ethos Foundation

Opinion

We have audited the financial statements of The Ethos Foundation (the 'charity') for the year ended 30 September 2024 which comprise the statement of financial activities, cashflow statement, balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 30 September 2024 and of its 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 trustees 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 trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- The information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

The Ethos Foundation

Independent auditors' report to the members of The Ethos Foundation

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 9 to 10, the trustees 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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:

- The nature of the entity and whether the financial results of our client differed from sector trends;
- The legal and regulatory framework that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements;
- The matters discussed among the audit engagement team during the planning process regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Audit procedures performed included reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements; discussions with the directors on their own assessment of the risks that irregularities may occur either as a result of fraud or error, their assessment of compliance with laws and regulations and whether they were aware of any instances of non-compliance, including any potential litigation or claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting business rationale of any significant transactions that are unusual or outside the normal course of business.

As a result of our assessment, it is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business. However, laws and regulations considered to have a direct effect on the financial statements included the Charities Act 2011 together with the Charities SORP (FRS 102).

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. There is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with the ISAs (UK).

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

The Ethos Foundation

Independent auditors' report to the members of The Ethos Foundation

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Herman Hang

Herman Hang ACCA (Senior Statutory Auditor)
for and on behalf of Grunberg & Co Limited
Statutory Auditor

5 Technology Park
Colindeep Lane
Colindale
London
United Kingdom
NW9 6BX

23 May 2025

.....
Date

Grunberg & Co Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Ethos Foundation
Statement of Financial Activities
for the year ended 30 September 2024

	Notes	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Income					
Income from:					
Income from investments	3	1,129,373	-	1,129,373	1,301,378
Total Income		<u>1,129,373</u>	<u>-</u>	<u>1,129,373</u>	<u>1,301,378</u>
Expenditure					
Expenditure on:					
Charitable activities	4	(3,093,451)	-	(3,093,451)	(4,040,653)
Other expenditure	4	(31,054)	-	(31,054)	(23,139)
Total Expenditure		<u>(3,124,505)</u>	<u>-</u>	<u>(3,124,505)</u>	<u>(4,063,792)</u>
Net incoming / (outgoing) resources		(1,995,132)	-	(1,995,132)	(2,762,414)
Other recognised gains/losses					
Net gains on fixed assets investments	8	<u>4,680,655</u>	<u>-</u>	<u>4,680,655</u>	<u>592,236</u>
Net movement in funds		2,685,523	-	2,685,523	(2,170,178)
Reconciliation of funds:					
Total funds brought forward		54,656,274	-	54,656,274	56,826,452
Total funds carried forward		<u>57,341,797</u>	<u>-</u>	<u>57,341,797</u>	<u>54,656,274</u>

Continuing operations

All of the above results in the current and comparative years are derived from continuing activities.

Other recognised gains and losses

There were no other recognised gains or losses other than those stated above.

Movements in funds

Movements in funds are disclosed in Note 13 to the Accounts.

Comparative figures

See note 19.

The Ethos Foundation
Balance Sheet
as at 30 September 2024

Charity Number
1166697
CIO No CE006474

	Notes	2024	2023
		£	£
Fixed assets			
Tangible assets	7	2,416	-
Investments	8	57,846,797	53,705,837
		57,849,213	53,705,837
Current assets			
Debtors	9	1,274	1,503
Cash at bank and in hand		85,268	966,249
		86,542	967,752
Creditors: amounts falling due within one year	10	(593,958)	(17,315)
Net current (liabilities)/assets		(507,416)	950,437
Net assets		57,341,797	54,656,274
Funds			
Unrestricted Funds	12	57,341,797	54,656,274
Total funds		57,341,797	54,656,274

19 May 2025
Approved by the board on and signed on its behalf by:


.....
G Gordon OBE
Founder Member

The Ethos Foundation
Cash Flow Statement
for the year ended 30 September 2024

	2024	2023
	£	£
Cash generated from operating activities		
Net income/(expenditure) for the reporting period	2,685,523	(2,170,178)
Adjustments for		
Depreciation	182	-
Dividends, interest and rents from investments	(1,129,373)	(1,301,378)
Investment management fees	261,385	129,158
Losses on foreign exchange within fixed assets investments	3,592	-
Gains on revaluation of fixed assets investments	(4,684,247)	(592,236)
Decrease in debtors	229	8,333,256
Increase in creditors	576,643	4,715
Net cash (used in)/provided by operating activities	<u>(2,286,066)</u>	<u>4,403,337</u>
Cash from investing activities		
Interest received	7,683	58,619
Purchase of tangible fixed assets	(2,598)	-
Proceeds from sale of investments	1,400,000	-
Purchase of investments	-	(52,000,000)
Net cash provided by/(used in) investing activities	<u>1,405,085</u>	<u>(51,941,381)</u>
Change in cash and cash equivalents in the reporting period	(880,981)	(47,538,044)
Cash and cash equivalents at the beginning of the reporting period	<u>966,249</u>	<u>371,387</u>
Cash and cash equivalents at the end of the reporting period	<u>85,268</u>	<u>966,249</u>
Consisting of:		
Cash at bank and in hand at end of the period	<u>85,268</u>	<u>966,249</u>

Cash Flow Statement

See note 20 to the accounts.

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2024

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention (unless otherwise stated in the relevant policy or note) and 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 Republic of Ireland (FRS102) and the Charities Act 2011.

Presentation currency

The financial statements are presented in Sterling.

Public benefit entity

The Charity meets the definition of a public entity under FRS 102.

Going concern

The trustees consider that there are no material uncertainties related to event or conditions that cast significant doubt upon the Foundation's ability to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees considered the Charity's budget projection. The trustees made enquires and have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Fund accounting

Unrestricted funds comprise income receivable or generated for the furtherance of the objects of the Charity without a specified purpose and are available as general funds. Expenditure which meet these criteria are charged to the funds, together with a fair allocation of support costs. Accumulated surpluses are available for use at the discretion of the trustees.

Restricted funds are used for the specific purposes laid down by the donor (if any). Expenditure which meet these criteria are charged to the funds.

Income

Total income is included in the Statement of Financial Activities. Income comprises donations, interest and dividends to further the charities objectives. Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered. Expenditure which is directly attributable to specific activities will be included in the relevant activity.

Support costs

These are management and administrative costs and comprise expenditure not directly attributable to the generated funds, charitable or fund raising activities of the Charity, but relate to furtherance of the Charity's objectives. They are therefore allocated to the relevant category of resources expended based on estimates of the time devoted to each activity.

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2024

Accounting policies, cont.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Computers	over 5 years
-----------	--------------

Fixed asset investments

Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The current market value is obtained from the statements prepared by the active fund managers.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening carrying value (or purchase date if later).

Financial instruments

a) Basic financial assets

Basic financial assets, including cash, bank balances, and debtors are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

b) Other financial assets and liabilities

Other financial assets and liabilities, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Financial Activities.

c) Basic financial liabilities

Basic financial liabilities, including accruals, are initially recognised at transaction price and subsequently carried at amortised cost, using the effective interest rate method. They are classified as current liabilities if payment is due within one year or less.

Cash at bank and in hand

Cash at bank and in hand includes bank balances held in current account and instant access deposit account. All of the amounts held on interest bearing deposit are available to spend on charitable activities.

Creditors

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.

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2024

Accounting policies, cont.

Taxation

The Charity is not liable to corporation tax as it is a Registered Charity.

The Charity is not VAT registered and can therefore not recover input tax on goods and services purchased.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

2 Significant judgements and estimates

Preparation of the financial statements requires trustees to make significant judgements and estimates in determining the carrying amounts of certain assets and liabilities. Trustees make assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The trustees' estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically.

Support costs:

Costs such as travel, consultancy fees and subscriptions are allocated to the relevant activity based on estimates by the trustees of time they devoted to charitable activities – 90% of the time spent and other expenditure -10% of the time spent.

3 Analysis of income

	2024	2023
	£	£
<i>Income from investments:</i>		
Investment income dividends	652,570	476,019
Investment income interest	469,120	766,740
Bank and other interest	7,683	58,619
	<u>1,129,373</u>	<u>1,301,378</u>

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2024

4 Analysis of expenditure

	Charitable activities £	Support costs £	2024 Total costs £	2023 Total costs £
Charitable donations	2,723,000	-	2,723,000	3,867,352
Wages and salaries	-	18,397	18,397	-
Employer's NI	-	1,206	1,206	-
Pensions	-	785	785	-
Travel and subsistence	-	3,996	3,996	1,715
Consultancy costs	-	64,806	64,806	42,079
Venue costs	-	4,246	4,246	-
Accommodation and services	-	697	697	-
Recruitment and HR cost	-	18,216	18,216	-
Social media strategy costs	-	456	456	-
IT, software and website costs	-	2,807	2,807	-
Depreciation	-	182	182	-
Subscriptions	-	5,324	5,324	5,051
	2,723,000	121,118	2,844,118	3,916,197
<u>Investment fees and gifting costs:</u>				
Investment management fees	261,385	-	261,385	129,158
Charity platforms administrative charges	60	-	60	182
	261,445	-	261,445	129,340
<u>Governance cost:</u>				
Audit and accounting fees	-	18,942	18,942	18,255
	261,445	140,060	3,124,505	4,063,792

	Restricted funds: £	Unrestricted funds: £	Support costs allocation 2024 £	Total costs 2023 £
Charitable activities				
Charitable donations	-	2,723,000		3,867,352
Investment fees and gifting costs: 100%	-	261,445		129,340
Support costs: 90% of support costs	-	109,006	(109,006)	43,961
	-	3,093,451		4,040,653
Other expenditure				
Support costs: 10% of support costs	-	12,112	(12,112)	4,884
Governance costs: 100% of governance costs	-	18,942	(18,942)	18,255
	-	31,054	(127,948)	23,139
Total expenditure	-	3,124,505	-	4,063,792

Support costs include all expenditure not directly related to the charitable activity. These are allocated to the relevant activity based on estimates of time devoted to each activity.

All grants given were to charitable institutions. Details and reconciliations of material grants given are presented and reconciled in the Trustees' Annual Report.

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2024

5 Net movement in funds	2024	2023
	£	£
This is stated after charging:		
Accountancy services	9,048	7,200
Audit fee	9,894	11,055
	<u>18,942</u>	<u>18,255</u>

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2024	2023
	£	£
Wages and salaries	18,397	-
Employer's NI	1,206	-
Pensions	785	-
Travel and subsistence - staff	2,158	-
Travel and subsistence - trustees	1,838	1,715
	<u>24,384</u>	<u>1,715</u>

The Charity had one employee during the year in the role of Foundation Director who comprised the key management personnel (2023: NIL).

Total cost to employ the charity's key management personnel: £20,388 (2023:NIL).

The average number of trustees during the year was 4 (2023: 4). The trustees did not receive any remuneration for services to the Charity in the year. During the year the Trustees' spent their time on governance, fundraising and representation.

Two trustees received re-imbursement for travel and conference expenses in the year (2023:One).

7 Tangible fixed assets

	Computer Equipment £
Cost	
At 1 October 2023	-
Additions	<u>2,598</u>
At 30 September 2024	<u>2,598</u>
Depreciation	
At 1 October 2023	-
Charge for the year	<u>182</u>
At 30 September 2024	<u>182</u>
Net book value	
At 30 September 2024	<u>2,416</u>
At 30 September 2023	<u>-</u>

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2024

8 Fixed assets - Investments	2024	2023
	£	£
Market value brought forward	53,705,837	-
Additions to investments at cost	1,121,690	53,242,758
Disposals at carrying value	(1,661,385)	(129,157)
Net gains on fixed assets investments	4,680,655	592,236
Market value brought forward	<u>57,846,797</u>	<u>53,705,837</u>

Net gains on fixed assets investments	2024	2023
	£	£
Gains on revaluation of fixed assets investments	4,684,247	592,236
Losses on foreign exchange within fixed assets investments	(3,592)	-
	<u>4,680,655</u>	<u>592,236</u>

Fixed asset investments are revalued and stated at market value at the balance sheet date. In terms of assessing the portfolio's market value, the portfolio's management team is relied upon.

The risk from financial instruments is considered in the Trustees report. The Foundation's Investment Committee mitigates these risks by retaining Waverton as discretionary fund management. As Ethos' fund managers Waverton operate an investment policy, approved by trustees, that provides for low to medium risk and a high degree of diversification of holdings within investment asset classes, and has due regard to sustainability and responsible investment as it relates to environmental, social and governance issues.

Investments by type

Waverton: The Ethos Foundation (Bonds):

The investment policy for the above portfolio is a fixed interest mandate for those who require low risk to capital in nominal terms.

Risk profile - Low Volatility.

Waverton: The Ethos Foundation (Cautious):

The investment policy for the above portfolio is a medium risk mandate for clients who wish to have some participation in the higher returns available from equities, but prefer a more cautious stance than the typical "Balanced" investor.

Risk profile - Medium/low volatility; highly diversified.

	2024	2023
	£	£
	Market value carried forward	Market value carried forward
<u>Waverton: The Ethos Foundation (Bonds):</u>		
- Total Securities	17,178,322	17,361,565
- Total Cash	19,683	287,364
	<u>17,198,005</u>	<u>17,648,929</u>
<u>Waverton: The Ethos Foundation (Cautious):</u>		
- Total Securities	40,210,416	35,322,792
- Total Cash	436,766	722,260
- Income due from dividends not yet paid	1,610	11,856
	<u>40,648,792</u>	<u>36,056,908</u>
Total market value carried forward	<u>57,846,797</u>	<u>53,705,837</u>

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2024

9 Debtors	2024 £	2023 £		
Prepayments	1,274	1,503		
10 Creditors: amounts falling due within one year	2024 £	2023 £		
Accruals	593,958	17,315		
11 Financial instruments	2024 £	2023 £		
Financial assets:				
Financial assets measured at amortised cost	86,542	967,752		
Financial assets measured at fair value	57,846,797	53,705,837		
	57,933,339	54,673,589		
Financial liabilities:				
Financial liabilities measured at amortised cost	593,958	17,315		
Financial liabilities measured at fair value	-	-		
	593,958	17,315		
12 Unrestricted Funds	2024 £	2023 £		
At the beginning of year	54,656,274	56,826,452		
Resources incoming	1,129,373	1,301,378		
Resources outgoing	(3,124,505)	(4,063,792)		
Net gains on fixed assets investments	4,680,655	592,236		
At the end of the year	57,341,797	54,656,274		
13 Analysis of net assets between funds	2024 Unrestricted Funds £	2024 Restricted Funds £	2024 Total Funds £	2023 £ Funds £
Tangible assets	2,416	-	2,416	-
Investments	57,846,797	-	57,846,797	53,705,837
Current assets	86,542	-	86,542	967,752
Creditors: amounts falling due within one year	(593,958)	-	(593,958)	(17,315)
	57,341,797	-	57,341,797	54,656,274

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2024

14 Charity information

The Ethos Foundation is a Charitable Incorporated Organisation (the CIO) which has a principal office in England. Registered office is at 34 Arlington Road, London, NW1 7HU. The Foundation's principal address is Fivefields, 8-10 Grosvenor Gardens, London, SW1W 0DH.

15 Transactions with trustees

There were no transactions with any trustee in the year or previous year.

16 Liability of members

The members of the Charity (being the Charitable Incorporated Organisation, the CIO) have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities on winding up.

17 Connected charities

Some of the Trustees of the Charity are also Trustees of the following (but not limited to) organisations: The Childhood Trust (Registered Charity 1154032), The Cabrach Trust (Scottish Charity SC043771) and Thrive at Five (Registered Charity 1195059) that received material donations as noted in the Trustees' Annual Report.

18 Accounting period

30 September continued to be a preferred date to report the achievements of the Charity.

19 Statement of Financial Activities
for the year ended 30 September 2023 (comparative figures)

	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Income				
Income from:				
Income from investments	3	1,301,378	-	1,301,378
Total Income		<u>1,301,378</u>	<u>-</u>	<u>1,301,378</u>
Expenditure				
Expenditure on:				
Charitable activities	4	(4,040,653)	-	(4,040,653)
Other expenditure	4	(23,139)	-	(23,139)
Total Expenditure		<u>(4,063,792)</u>	<u>-</u>	<u>(4,063,792)</u>
Net movement in funds		(2,762,414)	-	(2,762,414)
Reconciliation of funds:				
Total funds brought forward		56,826,452	-	56,826,452
Total funds carried forward		<u>54,064,038</u>	<u>-</u>	<u>54,064,038</u>

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2024

20 Cash Flow Statement Presentation

2024: Cash Flow Statement presentation has been improved to enable clearer understanding between cash provided by, or used in, operating activities versus cash provided by, or used in, investing activities. 2023: comparatives have been updated accordingly.

The Ethos Foundation

England & Wales - Charity number 1166697

Accounts

Charity Number
1166697



A Charitable Incorporated Organisation (CIO)

Report of the Trustees and Audited Accounts

Year ended 30 September 2023

The Ethos Foundation
Report of the Trustees and Audited Accounts
Year ended 30 September 2023

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The Ethos Foundation
Charity Information

Trustees

G E Gordon OBE - Chair
B Gordon
L Blythe
L Gakic

Auditors

Grunberg & Co Limited
Chartered Accountants
5 Technology Park
Colindeep Lane
Colindale
London
United Kingdom
NW9 6BX

Accountants

Winston Hazelton & Co Ltd
Chartered Certified Accountants
34 Arlington Road
London
NW1 7HU

Principal address

18 Buckingham Palace Road
London
SW1W 0QP

Registered office

18 Buckingham Palace Road
London
SW1W 0QP

Charity number

1166697

Bankers

Barclays
1 Churchill Place
London
E14 5HP

Solicitors

Bates Wells
10 Queen Street Place
London
EC4R 1BE

Investment management

Waverton Investment Management Ltd
16 Babmaes Street
St. James's
London
SW1Y 6AH

Website

<https://ethosfoundation.org.uk>

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

The trustees present their report and accounts for The Ethos Foundation (the 'Foundation') for the year ended 30 September 2023.

This report incorporates the strategic report of the Foundation, including its achievements and plans for the future.

The trustees have adopted the provisions of the Statement of Recommended Practice (FRS 102 Charities SORP) on "Accounting and Reporting by Charities", effective 1 January 2019, in preparing the annual report and financial statements of the Foundation.

Structure, Governance and Management
Structure and organisation

The Ethos Foundation was incorporated on 22 April 2016 as a Charitable Incorporated Organisation (CIO) with the Charity Commission in England. The charity registration number is 1166697 and the CIO number is CE006474.

The Foundation is governed by its Constitution dated 22 April 2016.

The registered and the principal office are situated at 18 Buckingham Palace Road, London, SW1W 0QP.

The trustees who are also the members of the Charity have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

The number of trustees shall not be less than three. There is no maximum number.

The Foundation is under the overall control of the trustees who conduct the affairs of the charity. The trustees meet regularly to set the policy and overall direction of the Charity, to review its plans and to discuss the management of the charity's affairs.

The first trustees are the Founder Members, and they are Grant Gordon OBE and Brigitte Gordon. The Founder Members must appoint at least one Independent Trustee, who must not be a member of the Founder Members' family or a connected person. Lucy Blythe was appointed as Independent Trustee in 2016. Luka Gakic, the Founding Members' son-in-law appointed in 2021, chairs the Charity's investment committee.

The Foundation has implemented policies and procedures for the induction and training of both new and existing members.

Governance and operating principles

Trustees have continued to reflect broadly on the goals of the Foundation and how best to focus efforts to fulfil the Charity's mission to promote the security and well-being of society.

Key management personnel

The trustees consider that they are the key management personnel of the Foundation in charge of directing, controlling, running and operating the Charity on a day-to-day basis.

All trustees give their time freely and no trustee received remuneration in the year.

Details of trustees' expenses are disclosed in Note 6 to the accounts.

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Objectives and Aims

Principal Objectives and Aims

The Ethos Foundation's vision is a society in which individuals and communities thrive. The Foundation's mission is to promote the security and well-being of society and our activities are focused exclusively on projects addressing societal issues in the UK.

Our work is informed by a multi-generational family commitment to philanthropy and is underpinned by our values:

- Fairness - striving for greater equity and justice
- Good citizenship – putting our responsibility to society first
- Reflectiveness - building our knowledge and challenging ourselves

Our overarching goal is to support the United Nations Sustainable Development Goals (SDGs) and in particular:

- SDG No. 1 No Poverty – leave no one behind
- SDG No. 10 Reduce inequality within and among countries

The trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant-making policy for the year.

The trustees are satisfied that the objectives of the Foundation are met through supporting organisations aligned with our impact goals that are invited to apply for grants, and in whose good governance and leadership the board has confidence. The Ethos Foundation does not accept unsolicited grant applications or proposals for funding.

Principal Activity, Review of Business and Achievements and Performance

The Ethos Foundation is a grant-making charity. The Foundation funds charitable causes and programmes selected by the trustees on the basis of alignment with the Foundation's mission. The Foundation regularly monitors the impact of its grants.

Achievements and performance

During the Foundation's financial year grants were made to 41 charities totalling £3,867,352 (2022: 22 charities totalling £1,981,936) representing a 45% increase in funding on the previous year.

Portfolio of strategic charity partners

The Foundation continues to support three strategic partners with which we have worked over recent years. The funding relationship with each of the strategic partners is guided by a grant-agreement approved by the board either annually or for a longer period. The Chairman represents the Foundation on the boards of each organisation.

The Childhood Trust received £1,000,000 (2022: £637,823) in unrestricted funding. The Childhood Trust ('the Charity') is London's child poverty charity, dedicated to alleviating the impact of poverty on children and young people living in the UK's capital. Funding from the Foundation covered a proportion of the Charity's core costs as well as supporting the Charity's match funding campaigns. Trustees recorded their continued satisfaction with the performance of the Charity against a backdrop of challenging circumstances for children and young people, particularly as the cost-of-living crisis continued.

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Portfolio of strategic charity partners, cont.

The Charity continued to deliver vital support for charities tackling child poverty in London. During its last financial year, the Charity raised £6.8 million for charitable projects primarily via their Christmas Challenge and Champions for Children summer campaign.

The Charity's work focused on alleviating the effects of the cost-of-living crisis on children's health, resilience, confidence, and safety. The Charity's advocacy continued to give London's children a voice, enabling their experiences and views to inform public policy and a platform to raise awareness of the devastating impact of child poverty.

For further details visit: <https://www.childhoodtrust.org.uk/>

The Cabrach Trust ('the Trust') received a total of £1,650,000 in grants (2022: £860,000), including the second tranche of capital funding to establish the Cabrach Distillery & Heritage Centre, which will be operated by the Trust's trading subsidiary, The Cabrach Distillery CIC. The Trust's vision and long-term ambition is to foster sustainable regeneration within this small rural community in NE Scotland. The Trust's mission is to provide economic and social development opportunities in the Cabrach: creating employment; attracting new visitors and residents to the depopulated community; and celebrating and protecting the area's cultural history and heritage, as well as its wild landscape.

For further details visit: <https://cabrachtrust.org/>

Thrive at Five ('the Charity') entered its third year of operation in its work to support sustainable improvements in school readiness in our nation's most disadvantaged communities. The overarching vision for Thrive at Five is a society that cherishes children's development in the early years and where every child, irrespective of their circumstances and family background, can thrive and achieve their full potential.

The organisation continued to pursue the development of its first place-based community pathfinder in Stoke-on-Trent in partnership with the Local Authority. The initiative is supported by the Charity's backbone organisation working in Bentilee and Abbey Hulton. The charity was granted £333,333 (2022: £333,334) by the Foundation as final instalment of a £1 million three-year unrestricted grant agreement.

For further details visit <https://thriveatfive.org.uk/>

Other grants

The Charity also supported the Foundling Museum's £4.6m successful capital fundraising appeal in 2023 with a £500,000 grant. The appeal enabled the Museum to gain ownership of a 999 year lease of its historic building and collection. The funds raised were transferred to support the freeholder Coram, the UK's largest adoption and fostering charity, who previously had control of the Foundling Museum building and collection.

The Foundation made a number of smaller grants totalling £384,019 in 2023 (2022: £150,778). These grants supported a range of charities, typically with unrestricted grants.

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Charities funded in the year

Strategic charity partners and larger donations

	£
The Childhood Trust	1,000,000
The Cabrach Trust	1,650,000
Thrive at Five	333,333
The Foundling Museum	500,000
Subtotal	3,483,333

Other smaller grants

Royal Foundation	100,000
National Trust for Scotland	40,000
Moray Community Foundation	20,000
Grange Park Opera	26,000
Royal Academy of Dance	12,500
Ashoka	12,350
New Philanthropy Capital	10,100
U P - Unlocking Potential	10,000
Shooting Star Children's Hospice	10,000
London Early Years Foundation	10,000
Harrow Club	10,000
Beacon Collaborative	10,000
Distillers' Charity	10,000
The Philanthropy Workshop	9,000
Ambition, Aspire, Achieve	8,000
University of Aberdeen Craig Dorney Fund	7,500
Spring Community Hub	7,000
West London Zone	6,500
Royal Philharmonic Orchestra	5,800
Barnet London Youth Zone	5,000
Awards for Young Musicians	5,000
Tower Hamlets Youth Sport Foundation	5,000
Bloomsbury Football Foundation	5,000
The Clement James Centre	5,000
Global Generation	5,000
KAA	5,000
EPIC	5,000
Pimlico Opera - Primary Robins	5,000
Kensington and Chelsea Foundation	2,510
The Metropolitan Police's Christmas Tree Appeal	2,500
Opera Holland Park	2,500
City of London Sinfonia	2,500
Scaramouche	2,500
Highland Society of London	1,000
Parkinson UK	250
Comic Relief	250
Kennedy's Disease UK	250
Others <£100	9
Subtotal	384,019
Total Granted	3,867,352

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Grant Making

The Foundation will normally apply most of its annual income to charitable causes selected by its trustees. Grant-making decisions will honour and build upon the Foundation's historic philanthropic efforts, including that of its strategic charity partners, to build positive social impact going forward.

From time to time, the Foundation may identify new focus areas and will conduct research and due diligence to identify the charities best placed to make a difference within a particular area of need. Those identified will be invited to apply for support. Upon invitation, potential grantees are formally invited to work with the Foundation in preparing grant materials for proposal development and review by the trustees.

Trustees regularly assess all large grants made, ensuring that charities supported by the Foundation are well governed, have strong leadership and have sufficient reserves to provide for their financial sustainability following a set of guidelines as a framework for grant-making decisions.

Risk management

The trustees have a risk management strategy that comprises:

- Regular review of the risks the Foundation may face and updates to the Risk Register
- The establishment of systems and procedures to mitigate those risks identified
- The implementation of procedures designed to minimise any potential impact on the Foundation should those risks materialise.
- Monitoring our charity partners and the impact of grants awarded

The key financial risk faced by the Foundation is that of volatility in equity and investment markets due to wider economic conditions, the attitude of investors to risk, and changes in sentiment concerning equities and within particular sectors or sub-sectors.

The Foundation's attitude to financial risk is described in its investment policy below.

Conflict of interest

Conflict of interest is mitigated by keeping the conflict of interest register up to date and following procedures stated in the Constitution for trustees to abstain from certain decisions if this is deemed necessary. Founder Members or a member of the Founders' family shall not be considered to be in a position of conflict of interest merely by virtue of being a trustee of, or being otherwise connected with, a charity connected to a Founder Member or a member of the Founders' family including but not limited to: The Childhood Trust (Registered Charity No 1154032), The Cabrach Trust (Scottish Charity no SC043771), Thrive at Five (Registered Charity No: 1195059) and The Distillers' Charity (Registered Charity No 1038763).

Financial Review

Review of Statement of Financial Activities (Including Income and Expenditure Account)

Total income for the year was £1,301,378 (2022: £58,691,191) and total expenditure was £4,063,792 (2022: £2,033,226). The overall deficit was £2,170,178 (2022: surplus of £56,657,965).

Reserves at the year-end were £54,656,274 (2022: £56,826,452) all represented by unrestricted funds.

Principal funding sources review

During the financial year the Foundation's principal charitable funding came from interest and dividends totalling to £1,301,378. The previous year's inflow of charitable funding came from a donation from the Foundation's Chair, arising from his wealth. With the addition of Gift Aid the Foundation's total income during the last financial year was £58,691,191.

The trustees are confident that the Foundation will continue to have sufficient funds to meet its grant obligations.

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Reserves policy

The trustees seek to retain a prudent level of reserves while managing them in line with the Charity's spend-down policy, with the expectation that funds will be drawn down over time in order to deliver social impact.

The reserves policy of the Foundation accords with the Charity Commission's guidelines. Unrestricted reserve levels are reviewed annually in line with an annual planning and budgeting process and monitored throughout the year.

The balance of unrestricted reserves at the year-end is disclosed in the Financial Review above.

Fundraising

As the main source of income is donations from the trustees, the Foundation does not undertake any fundraising activities.

Investment policy

The trustees take a conservative view regarding the investment of funds. Under the Constitution, the Foundation has power to make any investment which the trustees see fit after obtaining advice from a financial expert as the trustees consider necessary and are permitted to do by the Trustee Act 2000.

The trustee's Investment Committee maintained oversight of the Foundation's funds, which are managed by an independent investment manager, obtaining guidance from specialist management consultants.

Ethos divides its investment funds into a short-term and a long-term fund.

The aim of the short-term fund is to safeguard approximately three years of expenditure with very low tolerance for volatility and risk of capital loss; and its performance is benchmarked against CPI measured over three years and the Asset Risk Consultants (ARC) Sterling Cautious index.

The aim of the long-term fund is to take advantage of the higher tolerance of volatility afforded by its longer-term time horizon in order to increase Ethos' grant-making capacity through the spend-down period out to 31 December 2035; and its performance is benchmarked against CPI+2% and the ARC Sterling Balanced index.

For both the short-term and long-term funds, the investment manager will be expected to meet Ethos' investment objectives net of fees.

Ethos' approach to responsible investment is guided by an Investment Policy Statement (IPS) approved by the trustees and implemented by its appointed discretionary investment manager. Ethos' IPS does not intend to list specific exclusions but expects that all appointed discretionary investment managers will:

- focus on investing with companies that have sustainable economic prospects
- focus on investing with companies that contribute to the well-being of society
- actively manage their social and environmental risks, including in their supply chains
- promote good corporate governance
- vote (or abstain) on all shares, collaborating with others on contentious issues in pursuit of positive change
- apply these principles to all investments, including credit funds.

Plans for future

The Foundation's investment funds constitute its pool of charitable resources for future grant-making. The funds provide the opportunity for the Foundation, which aims to spend down its endowment, to drive forward its mission to promote the security and well-being of society in the UK. It is planned that these funds will be fully granted by 31st December 2035.

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Plans for future, cont.

In order to accelerate progress behind the Foundation's mission, the board worked on establishing a broad impact strategy to guide future investment and grant-making policy. Trustees commissioned New Philanthropy Capital (NPC) to report on the landscape of services supporting children and families in the UK, particularly those living in disadvantaged communities and suffering from poverty. The Closing the Gap report was finalised in January 2024 and published for the benefit of funders and other interested stakeholders. Following the report's publication, NPC developed a paper for trustees with strategy recommendations which were adopted. The strategy provides a roadmap shaping the Foundation's work going forward aiming to promote lasting improvements in development outcomes for children, especially in their early childhood.

Following an open recruitment process Sarah Blackwood was appointed as Foundation Director for Ethos in June 2024, becoming the Charity's first staff member.

Fixed Assets

The Foundation has no fixed assets.

Trustees

The trustees had no beneficial interest in the funds of the Charity and they were as follows:

G E Gordon OBE - Chair
B Gordon
L Blythe
L Gakic

Trustees responsibilities

The trustees are responsible for preparing the report and accounts in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period. Under that law the trustees have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under the applicable law trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income or expenditure of the company for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles of Charities SORP
- make judgements and estimates that are reasonable and prudent
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation
- state whether applicable Accounting Standards and Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Constitution and with the requirements of the Statement of Recommended Practice (SORP 2005) Accounting and Reporting by Charities, as well as that that they are prepared in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).

They are also responsible for safeguarding the assets of the Foundation and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website.

Disclosure of information to auditors

All the directors at the time this report was approved confirm that:

- so far as they are aware, there is no relevant audit information 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.

This report (including the strategic report) was approved by the board on 16 July 2024
and signed on its behalf.



.....
G Gordon OBE
Founder Member

The Ethos Foundation

Independent auditors' report to the members of The Ethos Foundation

Opinion

We have audited the financial statements of The Ethos Foundation (the 'charity') for the year ended 30 September 2023 which comprise the statement of financial activities, cashflow statement, the statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2023 and of its 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 trustees 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 trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

The Ethos Foundation

Independent auditors' report to the members of The Ethos Foundation

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 8 to 9, the trustees 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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:

- the nature of the entity and whether the financial results of our client differed from sector trends;
- the legal and regulatory framework that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements;
- the matters discussed among the audit engagement team during the planning process regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Audit procedures performed included reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements; discussions with the directors on their own assessment of the risks that irregularities may occur either as a result of fraud or error, their assessment of compliance with laws and regulations and whether they were aware of any instances of non-compliance, including any potential litigation or claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting business rationale of any significant transactions that are unusual or outside the normal course of business.

As a result of our assessment, it is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business. However, laws and regulations considered to have a direct effect on the financial statements included the Charities Act 2011 together with the Charities SORP (FRS 102).

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. There is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with the ISAs (UK).

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

The Ethos Foundation

Independent auditors' report to the members of The Ethos Foundation

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Herman Hang ACCA (Senior Statutory Auditor)
for and on behalf of Grunberg & Co Limited
Statutory Auditor

5 Technology Park
Colindeep Lane
Colindale
London
United Kingdom
NW9 6BX

23/07/2024

.....
Date

The Ethos Foundation
Statement of Financial Activities (Including Income and Expenditure Account)
for the year ended 30 September 2023

	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Income					
Income from:					
Donations	3	-	-	-	58,691,191
Income from investments	3	1,301,378	-	1,301,378	-
Total Income		<u>1,301,378</u>	<u>-</u>	<u>1,301,378</u>	<u>58,691,191</u>
Expenditure					
Expenditure on:					
Charitable activities	4	(4,040,653)	-	(4,040,653)	(2,016,763)
Other expenditure	4	(23,139)	-	(23,139)	(16,463)
Total Expenditure		<u>(4,063,792)</u>	<u>-</u>	<u>(4,063,792)</u>	<u>(2,033,226)</u>
Net incoming / (outgoing) resources		(2,762,414)	-	(2,762,414)	56,657,965
Other recognised gains/losses					
Net gains / (losses) on fixed assets investments	7	592,236	-	592,236	-
Net movement in funds		(2,170,178)	-	(2,170,178)	56,657,965
Transfer between funds		-	-	-	-
Reconciliation of funds:					
Total funds brought forward		56,826,452	-	56,826,452	168,487
Total funds carried forward		<u>54,656,274</u>	<u>-</u>	<u>54,656,274</u>	<u>56,826,452</u>

Continuing operations

All of the above results in the current and comparative years are derived from continuing activities.

Other recognised gains and losses

There were no other recognised gains or losses other than those stated above.

Movements in funds

Movements in funds are disclosed in Note 11 to the Accounts.

Comparative figures

See note 18.

The Ethos Foundation
Balance Sheet
as at 30 September 2023

Charity Number
1166697
CIO No CE006474

	Notes	£	2023 £	£	2022 £
Fixed assets					
Investments	7		53,705,837		-
Current assets					
Debtors	8	1,503		8,334,759	
Cash at bank and in hand		966,249		48,504,293	
		<u>967,752</u>		<u>56,839,052</u>	
Creditors: amounts falling due within one year	9	(17,315)		(12,600)	
Net current assets			<u>950,437</u>		<u>56,826,452</u>
Net assets			<u>54,656,274</u>		<u>56,826,452</u>
Funds					
Unrestricted Funds	11		54,656,274		56,826,452
Total funds			<u>54,656,274</u>		<u>56,826,452</u>

Approved by the board on 16 July 2024
..... and signed on its behalf by:



.....
G Gordon OBE
Founder Member

The Ethos Foundation
Cash Flow Statement
for the year ended 30 September 2023

	2023	2022
	£	£
Cash generated from operations		
Net movement in funds	(2,170,178)	56,657,965
Adjustments for		
Income from investments	(1,301,378)	-
Net gains on fixed assets investments	(592,236)	-
Decrease/(increase) in debtors	8,333,256	(8,323,918)
Increase in creditors	4,715	9,408
	<u>4,274,179</u>	<u>48,343,455</u>
Cash from investing activities		
Interest received	58,619	-
Investment income received	1,242,759	-
Proceeds from sale of investments	129,157	-
Purchase of investments	(53,242,758)	-
	<u>(51,812,223)</u>	<u>-</u>
Net (decrease)/increase in cash	(47,538,044)	48,343,455
Cash at bank and in hand less overdrafts at start of the period	<u>48,504,293</u>	<u>371,387</u>
Cash at bank and in hand less overdrafts at end of the year	<u>966,249</u>	<u>48,504,293</u>
Consisting of:		
Cash at bank and in hand at end of the period	<u>966,249</u>	<u>48,504,293</u>

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2023

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention (unless otherwise stated in the relevant policy or note) and 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 Republic of Ireland (FRS102) and the Charities Act 2011.

Presentation currency

The financial statements are presented in Sterling.

Public benefit entity

The Charity meets the definition of a public entity under FRS 102.

Going concern

The trustees consider that there are no material uncertainties related to event or conditions that cast significant doubt upon the Foundation's ability to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees considered the Charity's budget projection. The trustees made enquires and have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Fund accounting

Unrestricted funds comprise income receivable or generated for the furtherance of the objects of the Charity without a specified purpose and are available as general funds. Expenditure which meet these criteria are charged to the funds, together with a fair allocation of support costs. Accumulated surpluses are available for use at the discretion of the trustees.

Restricted funds are used for the specific purposes laid down by the donor (if any). Expenditure which meet these criteria are charged to the funds.

Income

Total income is included in the Statement of Financial Activities. Income comprises donations, interest and dividends to further the charities objectives. Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered. Expenditure which is directly attributable to specific activities will be included in the relevant activity.

Support costs

These are management and administrative costs and comprise expenditure not directly attributable to the generated funds, charitable or fund raising activities of the Charity, but relate to furtherance of the Charity's objectives. They are therefore allocated to the relevant category of resources expended based on estimates of the time devoted to each activity.

Fixed asset investments

Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The current market value is obtained from the statements prepared by the active fund managers.

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2023

Accounting policies, cont.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening carrying value (or purchase date if later).

Financial instruments

a) Basic financial assets

Basic financial assets, including cash, bank balances, and debtors are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

b) Other financial assets and liabilities

Other financial assets and liabilities, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Statement of Financial Activities.

c) Basic financial liabilities

Basic financial liabilities, including accruals, are initially recognised at transaction price and subsequently carried at amortised cost, using the effective interest rate method. They are classified as current liabilities if payment is due within one year or less.

Cash at bank and in hand

Cash at bank and in hand includes bank balance held in a current and a deposit account

Creditors

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.

Taxation

The Charity is not liable to corporation tax as it is a Registered Charity.

The Charity is not VAT registered and can therefore not recover input tax on goods and services purchased.

2 Significant judgements and estimates

Preparation of the financial statements requires trustees to make significant judgements and estimates in determining the carrying amounts of certain assets and liabilities. Trustees make assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The trustees' estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically.

Support costs:

Costs such as travel, consultancy fees and subscriptions are allocated to the relevant activity based on estimates by the trustees of time they devoted to charitable activities – 90% of the time spent and other expenditure -10% of the time spent.

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2023

3 Analysis of income

	2023 £	2022 £
<i>Donations:</i>		
Donations received	-	50,357,878
Gift Aid	-	8,333,313
	<u>-</u>	<u>58,691,191</u>
<i>Income from investments:</i>		
Investment income dividends	476,019	-
Investment income interest	766,740	-
Bank and other interest	58,619	-
	<u>1,301,378</u>	<u>-</u>

4 Analysis of expenditure

	Raising funds £	Charitable activities £	Support costs £	2023 Total costs £	2022 Total costs £
Charitable donations	-	3,867,352	-	3,867,352	1,981,936
Investment management fees	-	129,158	-	129,158	-
Charity platforms administrative charges	-	182	-	182	60
Travel and subsistence	-	-	1,715	1,715	2,815
Bank charges	-	-	-	-	-
Consultancy costs	-	-	42,079	42,079	30,427
Social media strategy costs	-	-	-	-	681
Subscriptions	-	-	5,051	5,051	4,707
	<u>-</u>	<u>3,996,692</u>	<u>48,845</u>	<u>4,045,537</u>	<u>2,020,626</u>
Governance cost: Audit and accounting fees	-	-	18,255	18,255	12,600
	<u>-</u>	<u>3,996,692</u>	<u>67,100</u>	<u>4,063,792</u>	<u>2,033,226</u>
	Restricted funds:	Unrestricted funds:			
Charitable activities					
Grants	-	3,996,692			1,981,996
Support costs: 90% of support costs	-	43,961	(43,961)		34,767
	<u>-</u>	<u>4,040,653</u>			<u>2,016,763</u>
Other expenditure					
Support and governance costs: 10% of support costs and 100% of governance costs	-	23,139	(23,139)		16,463
	<u>-</u>	<u>23,139</u>	<u>(67,100)</u>		<u>16,463</u>
Total expenditure	<u>-</u>	<u>4,063,792</u>	<u>-</u>		<u>2,033,226</u>

Support costs include all expenditure not directly related to the charitable activity. These are allocated to the relevant activity based on estimates of time devoted to each activity.

All grants given were to charitable institutions. Details and reconciliations of material grants given are presented and reconciled in the Trustees' Annual Report.

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2023

5 Net movement in funds	2023	2022
	£	£
This is stated after charging:		
Accountancy services	7,200	4,800
Audit fee	11,055	7,800
	<u>18,255</u>	<u>12,600</u>

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2023	2022
	£	£
Travel cost	1,715	2,815
	<u>1,715</u>	<u>2,815</u>

The trustees did not receive any remuneration for services to the Charity during the year. One trustee received re-imbursement for travel and conference expenses in the year (2022:Two)

The Charity had no employees during the period, and therefore staff costs were nil.

7 Fixed assets - Investments	2023	2022
	£	£
Market value brought forward	-	-
Additions to investments at cost	53,242,758	-
Disposals at carrying value	(129,157)	-
Net gain/(loss) on revaluation	592,236	-
Market value carried forward	<u>53,705,837</u>	<u>-</u>

Fixed asset investments are revalued and stated at market value at the balance sheet date. In terms of assessing the portfolio's market value, the portfolio's management team is relied upon.

The risk from financial instruments is considered in the Trustees report. The Foundation's Investment Committee mitigates these risks by retaining Waverton as discretionary fund management. As Ethos' fund managers Waverton operate an investment policy, approved by trustees, that provides for low to medium risk and a high degree of diversification of holdings within investment asset classes, and has due regard to sustainability and responsible investment as it relates to environmental, social and governance issues.

Investments by type

Waverton: The Ethos Foundation (Bonds):

The investment policy for the above portfolio is a fixed interest mandate for those who require low risk to capital in nominal terms.

Risk profile - Low Volatility.

Waverton: The Ethos Foundation (Cautious):

The investment policy for the above portfolio is a medium risk mandate for clients who wish to have some participation in the higher returns available from equities, but prefer a more cautious stance than the typical "Balanced" investor.

Risk profile - Medium/low volatility; highly diversified.

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2023

Fixed assets - Investments, cont.	2023	2022
Investments by type, cont.	£	£
	Market value carried forward	Market value carried forward
<u>Waverton: The Ethos Foundation (Bonds):</u>		
- Total Securities	17,361,565	-
- Total Cash	287,364	-
	<u>17,648,929</u>	<u>-</u>
<u>Waverton: The Ethos Foundation (Cautious):</u>		
- Total Securities	35,322,792	-
- Total Cash	722,260	-
- Income due from dividends not yet paid	11,856	-
	<u>36,056,908</u>	<u>-</u>
 Total market value carried forward	 <u>53,705,837</u>	 <u>-</u>
 8 Debtors	 2023	 2022
	£	£
Other debtors	-	8,333,313
Prepayments	1,503	1,446
	<u>1,503</u>	<u>8,334,759</u>
 9 Creditors: amounts falling due within one year	 2023	 2022
	£	£
Accruals	<u>17,315</u>	<u>12,600</u>
 10 Financial instruments	 2023	 2022
	£	£
Financial assets:		
Financial assets measured at amortised cost	967,752	56,839,052
Financial assets measured at fair value	53,705,837	-
	<u>54,673,589</u>	<u>56,839,052</u>
 Financial liabilities:		
Financial liabilities measured at amortised cost	17,315	12,600
Financial liabilities measured at fair value	-	-
	<u>17,315</u>	<u>12,600</u>

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2023

11 Unrestricted Funds	2023 £	2022 £
At the beginning of year	56,826,452	168,487
Resources incoming	1,301,378	58,691,191
Resources outgoing	(4,063,792)	(2,033,226)
Net gain/(loss) on revaluation	592,236	-
At the end of the year	<u>54,656,274</u>	<u>56,826,452</u>

12 Analysis of net assets between funds	2023 Unrestricted Funds	2023 Restricted Funds	2023 Total Funds	2022 £ Funds
Investments	53,705,837	-	53,705,837	-
Current assets	967,752	-	967,752	56,839,052
Creditors: amounts falling due within one year	(17,315)	-	(17,315)	(12,600)
	<u>54,656,274</u>	<u>-</u>	<u>54,656,274</u>	<u>56,826,452</u>

13 Charity information

The Ethos Foundation is a Charitable Incorporated Organisation (the CIO) which has a principal office in England. Principal address and registered office is 18 Buckingham Palace Road, London, SW1W 0QP.

14 Transactions with trustees

During the year, Grant Gordon, the Founder Trustee, has made donations to the Foundation totalling £Nil (2022: £50,357,493). These donations were received without conditions attached.

15 Liability of members

The members of the Charity (being the Charitable Incorporated Organisation, the CIO) have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities on winding up.

16 Connected charities

Some of the Trustees of the Charity are also Trustees of the following (but not limited to) organisations: The Childhood Trust (Registered Charity 1154032), The Cabrach Trust (Scottish Charity SC043771) and Thrive at Five (Registered Charity 1195059) that received material donations as noted in the Trustees' Annual Report.

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2023

17 Accounting period

30 September continued to be a preferred date to report the achievements of the Charity.

18 Statement of Financial Activities (Including Income and Expenditure Account)
for the year ended 30 September 2022 (comparative figures)

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Income				
Income from:				
Donations	3	58,691,191	-	58,691,191
Total Income		<u>58,691,191</u>	<u>-</u>	<u>58,691,191</u>
Expenditure				
Expenditure on:				
Charitable activities	4	(2,016,763)	-	(2,016,763)
Other expenditure	4	(16,463)	-	(16,463)
Total Expenditure		<u>(2,033,226)</u>	<u>-</u>	<u>(2,033,226)</u>
Net movement in funds		56,657,965	-	56,657,965
Reconciliation of funds:				
Total funds brought forward		168,487	-	168,487
Total funds carried forward		<u>56,826,452</u>	<u>-</u>	<u>56,826,452</u>

Accounts

Charity Number
1166697



A Charitable Incorporated Organisation (CIO)

Report of the Trustees and Audited Accounts

Year ended 30 September 2022

The Ethos Foundation
Report of the Trustees and Audited Accounts
Year ended 30 September 2022

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The Ethos Foundation Charity Information

Trustees

G E Gordon OBE - Chair
B Gordon
L Blythe
L Gakic

Auditors

Grunberg & Co Limited
Chartered Accountants
5 Technology Park
Colindeep Lane
Colindale
London
United Kingdom
NW9 6BX

Accountants

Winston Hazelton & Co Ltd
Chartered Certified Accountants
34 Arlington Road
London
NW1 7HU

Principal address

18 Buckingham Palace Road
London
SW1W 0QP

Registered office

18 Buckingham Palace Road
London
SW1W 0QP

Charity number

1166697

Bankers

Barclays
1 Churchill Place
London
E14 5HP

Solicitors

Bates Wells
10 Queen Street Place
London
EC4R 1BE

Website

<https://ethosfoundation.uk>

The Ethos Foundation

Registered Charity number: 1166697

Trustees report

The trustees present their report and accounts for The Ethos Foundation (the 'Foundation') for the year ended 30 September 2022.

This report incorporates the strategic report of the Foundation, including its achievements and plans for the future.

The trustees have adopted the provisions of the Statement of Recommended Practice (FRS 102 Charities SORP) on "Accounting and Reporting by Charities", effective 1 January 2019, in preparing the annual report and financial statements of the Foundation.

Structure, Governance and Management

Structure and organisation

The Ethos Foundation was incorporated on 22 April 2016 as a Charitable Incorporated Organisation (CIO) with the Charity Commission in England. The charity registration number is 1166697 and the CIO number is CE006474.

The Foundation is governed by its Constitution dated 22 April 2016.

The registered and the principal office are situated at 18 Buckingham Palace Road, London, SW1W 0QP.

The trustees who are also the members of the Charity have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

The number of trustees shall not be less than three. There is no maximum number.

The Foundation is under the overall control of the trustees who conduct the affairs of the charity. The trustees meet regularly to set the policy and overall direction of the Charity, to review its plans and to discuss the management of the charity's affairs.

The first trustees are the Founder Members, and they are Grant Gordon OBE and Brigitte Gordon. The Founder Members must appoint at least one Independent Trustee, who must not be a member of the Founder Members' family or a connected person. Lucy Blythe was appointed as Independent Trustee in 2016. Luka Gakic, the Founding Members' son-in-law appointed in 2021, chairs the Charity's investment committee.

The Foundation has implemented policies and procedures for the induction and training of both new and existing members.

Governance and operating principles

Trustees have continued to reflect broadly on the goals of the Foundation and how best to focus efforts to fulfil the Charity's mission to promote the security and well-being of society.

Key management personnel

The trustees consider that they are the key management personnel of the Foundation in charge of directing, controlling, running and operating the Charity on a day-to-day basis.

All trustees give their time freely and no trustee received remuneration in the year.

Details of trustees' expenses are disclosed in Note 5 to the accounts.

The Ethos Foundation

Registered Charity number: 1166697

Trustees report

Objectives and Aims

Principal Objectives and Aims

The Ethos Foundation's vision is a society in which individuals and communities thrive. The Foundation's mission is to promote the security and well-being of society and our activities are focused exclusively on projects addressing societal issues in the UK.

Our work is informed by a multi-generational family commitment to philanthropy and is underpinned by our values:

- Fairness - striving for greater equity and justice
- Good citizenship – putting our responsibility to society first
- Reflectiveness - building our knowledge and challenging ourselves

Our overarching goal is to support the United Nations Sustainable Development Goals (SDGs) and in particular:

- SDG No. 1 No Poverty – leave no one behind
- SDG No. 10. Reduce inequality within and among countries

The trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant-making policy for the year.

The trustees are satisfied that the objectives of the Foundation are met through supporting organisations aligned with our impact goals that are invited to apply for grants, and in whose good governance and leadership the board has confidence. The Ethos Foundation does not accept unsolicited grant applications or proposals for funding.

Principal Activity, Review of Business and Achievements and Performance

The Ethos Foundation is a grant-making charity. The Foundation funds charitable causes and programmes selected by the trustees on the basis of alignment with the Foundation's mission. The Foundation regularly monitors its grantee's impact.

Achievements and performance

During the Foundation's financial year grants were made to 22 charities totalling £1,981,935 (2021: 31 grants totalling £1,363,045) representing a 45% increase in funding on the previous year.

Portfolio of strategic charity partners

The Foundation continues to work with three strategic partners it has supported over recent years. The funding relationship with each of the strategic partners is the subject of a grant-agreement approved by the board either annually or for a longer period and the Chairman represents the Foundation on the boards of each organisation.

The Childhood Trust received £637,823 (2021: £625,000) in unrestricted funding. The Childhood Trust ('the Charity') is London's child poverty charity, dedicated to alleviating the impact of poverty on children and young people living in the UK's capital. The funding covered a proportion of the Charity's core costs as well as supporting the Charity's match funding campaigns. Trustees recorded their continued satisfaction with the performance of the Charity against a backdrop of challenging circumstances for children and young people particularly as the cost-of-living crisis emerged.

The Ethos Foundation

Registered Charity number: 1166697

Trustees report

Portfolio of strategic charity partners, cont.

The Charity continued to deliver vital support for its partner charities fighting against the impact of child poverty in London. During their last financial year, the Charity raised £6.8 million for charitable projects primarily via the Christmas Challenge 2021 and Champions for Children 2022 summer campaign.

Over 179,329, or approximately 1 in 4 of the 700,000 children living in poverty in the capital, were supported through the Charity's work to alleviate the worst economic, social and emotional effects of the pandemic. The Charity's advocacy work continued to give London's children a voice raising awareness of the devastating impact of poverty on the capital's most disadvantaged children.

For further details visit: <https://www.childhoodtrust.org.uk/>

The Cabrach Trust ('the Trust') received a total of £ 860,000 in grants (2021: £230,000), of which £600,000 related to the first tranche of capital funding for the project to establish the Trust's social enterprise, The Cabrach Distillery CIC. The Trust's vision and long-term ambition is to foster sustainable regeneration within this small rural community in NE Scotland. The Trust's mission is to provide economic and social development opportunities in the Cabrach: creating employment; attracting new visitors and residents to the depopulated community; and celebrating and protecting the area's cultural history and heritage, as well as its wild landscape.

Preliminary works related to the Cabrach Distillery & Heritage Centre were carried out with the main construction expected to be undertaken during 2023.

For further details visit: <https://cabrachtrust.org/>

Thrive at Five ('the Charity') entered its second year of operation in its work to support sustainable improvements in school readiness in our nation's most disadvantaged communities. The overarching vision for Thrive at Five is a society that cherishes children's development in the early years and where every child, irrespective of their circumstances and family background, can thrive and achieve their full potential.

To develop the framework, the organisation is planning place-based community pathfinders across the UK, the first of which is in Stoke-on-Trent in partnership with the Local Authority. Following a six-month initial 'discovery' stage, the Charity curated a number of early years programmes which were activated in the community, supported by Thrive at Five's backbone organisation. Thrive at Five, was granted £333,334 by the Foundation as second instalment of a £1 million three-year unrestricted grant agreement with the organisation.

For further details visit <https://thriveatfive.org.uk/>

Other grants

The Foundation's miscellaneous smaller grants totalled £150,778 in 2022 (2021: £154,711), supporting a variety of causes. The Foundation's smaller grants covered a range of charities and were mainly unrestricted.

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Charities funded in the year

Strategic charity partners

	£
The Childhood Trust	637,823
The Cabrach Trust	860,000
Thrive at Five	333,334
Subtotal	1,831,157

Other smaller grants

National Trust for Scotland	40,000
The Foundling Museum	10,600
Ashoka	10,000
Beacon Collaborative	10,000
Braemar Royal Highland Charity	10,000
New Philanthropy Capital	10,000
Salvesen Mindroom	10,000
The Philanthropy Workshop	9,000
Distillers' Charity	5,350
Ambition, Aspire, Achieve	5,000
Epic Foundation UK	5,000
Grange Park Opera	5,000
Foundation for Social Entrepreneurs	5,000
Haringey Play Association	3,000
Hackney Empire	3,000
The Mix	3,000
Royal Philharmonic Orchestra	3,000
City of London Sinfonia	1,500
Opera Holland Park	1,500
Swedish Lifeboats	828
Subtotal	150,778

Total Granted	1,981,935
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Grant Making

The Foundation will normally apply most of its annual income to charitable causes selected by its trustees. Grant-making decisions will honour and build upon the Foundation's historic philanthropic efforts, including that of its strategic charity partners, to build positive social impact going forward.

From time to time, the Foundation may identify new focus areas and will conduct research and due diligence to identify the charities best placed to make a difference within a particular area of need. Those identified will be invited to apply for support. Upon invitation, potential grantees are formally invited to work with the Foundation in preparing grant materials for proposal development and review by the trustees.

Trustees regularly assess all large grants made, ensuring that charities supported by the Foundation are well governed, have strong leadership and have sufficient reserves to provide for their financial sustainability following a set of guidelines as a framework for grant-making decisions.

The Ethos Foundation

Registered Charity number: 1166697

Trustees report

Risk management

The trustees have a risk management strategy that comprises:

- Regular review of the risks the Foundation may face and updates to the Risk Register
- The establishment of systems and procedures to mitigate those risks identified
- The implementation of procedures designed to minimise any potential impact on the Foundation should those risks materialise.
- Monitoring our charity partners and the impact of grants awarded

Conflict of interest

Conflict of interest is mitigated by keeping the conflict of interest register up to date and following procedures stated in the Constitution for trustees to abstain from certain decisions if this is deemed necessary. Founder Members or a member of the Founders' family shall not be considered to be in a position of conflict of interest merely by virtue of being a trustee of, or being otherwise connected with, a charity connected to a Founder Member or a member of the Founders' family including but not limited to: The Childhood Trust (Registered Charity No 1154032), The Cabrach Trust (Scottish Charity no SC043771), Thrive at Five (Registered Charity No: 1195059) and The Distillers' Charity (Registered Charity No 1038763).

Financial Review

Review of Statement of Financial Activities (Including Income and Expenditure Account)

Total income for the year was £58,691,191 (2021: £999,999) and total expenditure was £2,033,226 (2021: £1,394,887). The overall surplus was £56,657,965 (2021: Deficit of £394,888).

Reserves at the year-end were £56,826,452 (2021: £168,487) all represented by unrestricted funds.

Principal funding sources review

During the financial year the Foundation's principal charitable funding came from its Chair, arising from his personal wealth. With the addition of Gift Aid the Foundation's total income during the financial year was £58,691,191 (2021: £999,999). The Foundation's principal source of funds was donations from the Founder Members' family trust).

The trustees are confident that the Foundation will continue to have sufficient funds to meet its grant obligations.

Reserves policy

The trustees seek to retain a prudent level of reserves while managing them in line with the Charity's spend-down policy, with the expectation that funds will be drawn down over time in order to deliver social impact.

The reserves policy of the Foundation accords with the Charity Commission's guidelines. Unrestricted reserve levels are reviewed annually in line with an annual planning and budgeting process and monitored throughout the year.

The balance of unrestricted reserves at the year-end is disclosed in the Financial Review above.

The Ethos Foundation

Registered Charity number: 1166697

Trustees report

Fundraising

The foundation does not undertake any fundraising activities as the main source of income is donations from the trustees.

Investment policy

The trustees take a conservative view regarding the investment of surplus funds. Under the Constitution, the Foundation has power to make any investment which the trustees see fit after obtaining advice from a financial expert as the trustees consider necessary and are permitted to do by the Trustee Act 2000.

During the year the trustees formed an Investment Committee initially establishing an investment policy for the Charity, which was reviewed and adopted by the board. Under the terms of this document there followed, under the guidance of independent consultants, a tender process leading to the appointment of an independent investment manager, which was approved by trustees.

Plans for future

The newly received capital constitutes the Foundation's pool of charitable resources for future grant-making. The funds will provide increased opportunity for the Foundation, which aims to spend down its endowment, to drive forward its mission to promote the security and well-being of society in the UK. It is planned that these funds will be fully granted, in support of the Foundation's mission, by 31st December 2035.

In order to inform trustees on potential strategies for the Foundation's grant-making and impact strategy going forward, the Charity has commissioned the development of a landscaping report on the ecosystem of services related to child poverty in the UK. In commissioning New Philanthropy Capital (NPC) to produce this report, which will be published on an open-source basis, the Foundation aims to provide an evidence base for its own future grantmaking strategy and to foster conversation and collaborations among funders to strengthen our impact and improve outcomes for the benefit of society.

Fixed Assets

The Foundation has no fixed assets.

Trustees

The trustees had no beneficial interest in the funds of the Charity and they were as follows:

G E Gordon OBE - Chair

B Gordon

L Blythe

L Gakic

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Trustees responsibilities

The trustees are responsible for preparing the report and accounts in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period. Under that law the trustees have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under the applicable law trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income or expenditure of the company for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles of Charities SORP
- make judgements and estimates that are reasonable and prudent
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation
- state whether applicable Accounting Standards and Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Constitution and with the requirements of the Statement of Recommended Practice (SORP 2005) Accounting and Reporting by Charities, as well as that that they are prepared in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).

They are also responsible for safeguarding the assets of the Foundation and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website.

Disclosure of information to auditors

All the directors at the time this report was approved confirm that:

- so far as they are aware, there is no relevant audit information 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.

This report (including the strategic report) was approved by the board on 5 July 2023
and signed on its behalf.



.....
G Gordon OBE
Founder Member

The Ethos Foundation

Independent auditors' report to the members of The Ethos Foundation

Opinion

We have audited the financial statements of The Ethos Foundation (the 'charity') for the year ended 30 September 2022 which comprise the statement of financial activities, cashflow statement, the statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2022 and of its 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 trustees 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 trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

The Ethos Foundation

Independent auditors' report to the members of The Ethos Foundation

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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:

- the nature of the entity, including the impact of the COVID-19 global pandemic across the UK and whether the financial results of our client differed from sector trends;
- the legal and regulatory framework that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements;
- the matters discussed among the audit engagement team during the planning process regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Audit procedures performed included reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements; discussions with the directors on their own assessment of the risks that irregularities may occur either as a result of fraud or error, their assessment of compliance with laws and regulations and whether they were aware of any instances of non-compliance, including any potential litigation or claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting business rationale of any significant transactions that are unusual or outside the normal course of business.

As a result of our assessment, it is considered that there are no laws and regulations for which non-compliance may be fundamental to the operating aspects of the business. However, laws and regulations considered to have a direct effect on the financial statements included the Charities Act 2011 together with the Charities SORP (FRS 102).

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. There is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with the ISAs (UK).

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

The Ethos Foundation

Independent auditors' report to the members of The Ethos Foundation

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Gedalia Waldman BA FCA (Senior Statutory Auditor)
for and on behalf of Grunberg & Co Limited
Statutory Auditor

5 Technology Park
Colindeep Lane
Colindale
London
United Kingdom
NW9 6BX

14 July 2023

.....
Date

The Ethos Foundation
Statement of Financial Activities (Including Income and Expenditure Account)
for the year ended 30 September 2022

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income					
Income from:					
Donations	2	58,691,191	-	58,691,191	999,999
Total Income		<u>58,691,191</u>	<u>-</u>	<u>58,691,191</u>	<u>999,999</u>
Expenditure					
Expenditure on:					
Charitable activities	3	(2,016,763)	-	(2,016,763)	(1,383,322)
Other expenditure	3	(16,463)	-	(16,463)	(11,565)
Total Expenditure		<u>(2,033,226)</u>	<u>-</u>	<u>(2,033,226)</u>	<u>(1,394,887)</u>
Net movement in funds		56,657,965	-	56,657,965	(394,888)
Reconciliation of funds:					
Total funds brought forward		168,487	-	168,487	563,375
Total funds carried forward		<u>56,826,452</u>	<u>-</u>	<u>56,826,452</u>	<u>168,487</u>

Continuing operations

All of the above results in the current and comparative years are derived from continuing activities.

Other recognised gains and losses

There were no other recognised gains or losses other than those stated above.

Movements in funds

Movements in funds are disclosed in Note 8 to the Accounts.

Comparative figures

See note 16.

The Ethos Foundation
Cash Flow Statement
for the year ended 30 September 2022

	2022 £	2021 £
Cash generated from operations		
Net movement in funds	56,657,965	(394,888)
Adjustments for		
(Increase)/decrease in debtors	(8,323,918)	494,933
Increase in creditors	9,408	792
	<u>48,343,455</u>	<u>100,837</u>
Net increase in cash	48,343,455	100,837
Cash at bank and in hand less overdrafts at start of the period	<u>160,838</u>	<u>371,387</u>
Cash at bank and in hand less overdrafts at end of the year	<u>48,504,293</u>	<u>160,838</u>
 Consisting of:		
Cash at bank and in hand at end of the period	<u>48,504,293</u>	<u>160,838</u>

The Ethos Foundation
Balance Sheet
as at 30 September 2022

Charity Number
1166697
CIO No CE006474

	Notes	£	2022 £	£	2021 £
Current assets					
Debtors	6	8,334,759		10,841	
Cash at bank and in hand		48,504,293		160,838	
		<u>56,839,052</u>		<u>171,679</u>	
Creditors: amounts falling due within one year	7	(12,600)		(3,192)	
Net current assets			<u>56,826,452</u>	<u>168,487</u>	
Net assets			<u>56,826,452</u>	<u>168,487</u>	
Funds					
Unrestricted Funds	8	56,826,452		168,487	
Total funds			<u>56,826,452</u>	<u>168,487</u>	

Approved by the board on **5 July 2023** and signed on its behalf by:


.....
G Gordon OBE
Founder Member

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2022

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention (unless otherwise stated in the relevant policy or note) and 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 Republic of Ireland (FRS102) and the Charities Act 2011.

Presentation currency

The financial statements are presented in Sterling.

Public benefit entity

The Charity meets the definition of a public entity under FRS 102.

Going concern

The trustees consider that there are no material uncertainties related to event or conditions that cast significant doubt upon the Foundation's ability to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees considered the Charity's budget projection. The trustees made enquires and have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Fund accounting

Unrestricted funds comprise income receivable or generated for the furtherance of the objects of the Charity without a specified purpose and are available as general funds. Expenditure which meet these criteria are charged to the funds, together with a fair allocation of support costs. Accumulated surpluses are available for use at the discretion of the trustees.

Restricted funds are used for the specific purposes laid down by the donor (if any). Expenditure which meet these criteria are charged to the funds.

Income

Total income is included in the Statement of Financial Activities. Income comprises principally donations to further the charities objectives. Donations are brought into income when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered. Expenditure which is directly attributable to specific activities will be included in the relevant activity.

Support costs

These are management and administrative costs and comprise expenditure not directly attributable to the generated funds, charitable or fund raising activities of the Charity, but relate to furtherance of the Charity's objectives. They are therefore allocated to the relevant category of resources expended based on estimates of the time devoted to each activity.

Cash at bank and in hand

Cash at bank and in hand includes bank balance held in a current account.

Creditors

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.

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2022

Accounting policies, cont.

Taxation

The Charity is not liable to corporation tax as it is a Registered Charity.

The Charity is not VAT registered and can therefore not recover input tax on goods and services purchased.

2 Analysis of income

	2022	2021
	£	£
<u>Donations:</u>		
Donations received	50,357,815	999,999
Gift Aid	8,333,376	-
	<u>58,691,191</u>	<u>999,999</u>

3 Analysis of expenditure

	Raising funds	Charitable activities	Support and governance costs	2022 Total costs	2021 Total costs
	£	£	£	£	£
Charitable donations	-	1,981,936	-	1,981,936	1,363,045
Support to Thrive at Five	-	-	-	-	11,354
Charity platforms administrative charges	-	60	-	60	35
Audit and accounting fee - governance cost	-	-	12,600	12,600	2,880
Legal fees - governance cost	-	-	-	-	7,698
Travel and subsistence	-	-	2,815	2,815	-
Bank charges	-	-	-	-	136
Consultancy costs	-	-	30,427	30,427	2,667
Social media strategy costs	-	-	681	681	3,997
General expenses	-	-	-	-	405
Subscriptions	-	-	4,707	4,707	2,670
	<u>-</u>	<u>1,981,996</u>	<u>51,230</u>	<u>2,033,226</u>	<u>1,394,887</u>
			90% of Support costs		
Charitable activities					
Grants	-	1,981,996			1,374,434
Support costs	-	34,767	(34,767)		8,888
	<u>-</u>	<u>2,016,763</u>			<u>1,383,322</u>
			10% of Support costs		
Other expenditure					
Support costs		16,463	(16,463)		11,565
	<u>-</u>	<u>16,463</u>	<u>(51,230)</u>		<u>11,565</u>
Total expenditure	<u>-</u>	<u>2,033,226</u>	<u>-</u>		<u>1,394,887</u>

Support costs include all expenditure not directly related to the charitable activity. These are allocated to the relevant activity based on estimates of time devoted to each activity.

All grants given were to institutions. Details and reconciliations of material grants given are presented and reconciled in the Trustees' Annual Report.

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2022

4 Net movement in funds	2022	2021
	£	£
This is stated after charging:		
Independent examination fee	-	2,880
Accountancy services	4,800	
Audit fee	7,800	-
	<u>12,600</u>	<u>2,880</u>

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2022	2021
	£	£
Travel cost	<u>2,815</u>	<u>-</u>
	<u>2,815</u>	<u>-</u>

The trustees did not receive any remuneration for services to the Charity during the year. Two trustees received re-imbursement for travel and conference expenses in the year (2021: None and £Nil)

The Charity had no employees during the period, and therefore staff costs were nil.

6 Debtors	2022	2021
	£	£
Other debtors	8,333,313	10,194
Prepayments	1,446	647
	<u>8,334,759</u>	<u>10,841</u>

7 Creditors: amounts falling due within one year

	2022	2021
	£	£
Deferred income	-	312
Other creditors	12,600	2,880
	<u>12,600</u>	<u>3,192</u>

8 Unrestricted Funds

	2022	2021
	£	£
At the beginning of year	168,487	563,375
Donations incoming	58,691,191	999,999
Resources outgoing	(2,033,226)	(1,394,887)
	<u>56,826,452</u>	<u>168,487</u>
At the end of the year		

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2022

9 Analysis of net assets between funds	2022 Unrestricted Funds	2022 Restricted Funds	2022 Total Funds	2021 £ Funds
Current assets	56,839,052	-	56,839,052	171,679
Creditors: amounts falling due within one year	(12,600)	-	(12,600)	(3,192)
	<u>56,826,452</u>	<u>-</u>	<u>56,826,452</u>	<u>168,487</u>

10 Non-adjusting events occurring after the end of the reporting period

On 18 October 2022 the amount of £47,000,000 was invested at Waverton that provides independent investment management services to Charities.

On 17 February 2023 the Foundation received £58,619 interest accrued on the gift aid payable by HMRC. The interest arose because the Gift Aid application has undergone the HMRC compliance check.

11 Charity information

The Ethos Foundation is a Charitable Incorporated Organisation (the CIO) which has a principal office in England. Principal address and registered office is 18 Buckingham Palace Road, London, SW1W 0QP.

12 Transactions with trustees

During the year, Grant Gordon, the Founder Trustee, has made donations to the Foundation totalling to £50,357,493. These donations were received without conditions attached.

13 Liability of members

The members of the Charity (being the Charitable Incorporated Organisation, the CIO) have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities on winding up.

14 Connected charities

Some of the Trustees of the Charity are also Trustees of the following (but not limited to) organisations: The Childhood Trust (Registered Charity 1154032), The Cabrach Trust (Scottish Charity SC043771) and Thrive at Five (Registered Charity 1195059) that received material donations as noted in the Trustees' Annual Report.

15 Accounting period

30 September continued to be a preferred date to report the achievements of the Charity.

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2022

16 Statement of Financial Activities (Including Income and Expenditure Account)
for the year ended 30 September 2021 (comparative figures)

	Notes	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
Income				
Income from:				
Donations	2	999,999	-	999,999
Total Income		<u>999,999</u>	<u>-</u>	<u>999,999</u>
Expenditure				
Expenditure on:				
Charitable activities	3	(1,383,322)	-	(1,383,322)
Other expenditure	3	(11,565)	-	(11,565)
Total Expenditure		<u>(1,394,887)</u>	<u>-</u>	<u>(1,394,887)</u>
Net movement in funds		(394,888)	-	(394,888)
Reconciliation of funds:				
Total funds brought forward		563,375	-	563,375
Total funds carried forward		<u>168,487</u>	<u>-</u>	<u>168,487</u>

Accounts

Charity Number
1166697



A Charitable Incorporated Organisation (CIO)

Report and Unaudited Accounts

Year ended 30 September 2021

The Ethos Foundation
Report and accounts
Year ended 30 September 2021

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The Ethos Foundation Charity Information

Trustees

G E Gordon Chair
B Gordon
L Blythe
L Gakic (appointed 28 June 2021)

Independent Examiner

Monika Hazelton FCCA
Winston Hazelton & Co Ltd
34 Arlington Road
London
NW1 7HU

Principal address

18 Buckingham Palace Road
London
SW1W 0QP

Registered office

18 Buckingham Palace Road
London
SW1W 0QP

Charity number

1166697

Bankers

Barclays
1 Churchill Place
London
E14 5HP

Solicitors

Bates Wells
10 Queen Street Place
London
EC4R 1BE

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

The trustees present their report and accounts for The Ethos Foundation (the 'Foundation') for the year ended 30 September 2021.

This report incorporates the strategic report of the Foundation, including its achievements and plans for the future.

The trustees have adopted the provisions of the Statement of Recommended Practice (FRS 102 Charities SORP) on "Accounting and Reporting by Charities", effective 1 January 2019, in preparing the annual report and financial statements of the Foundation.

Structure, Governance and Management

Structure and organisation

The Ethos Foundation was incorporated on 22 April 2016 as a Charitable Incorporated Organisation (CIO) with the Charity Commission in England. The charity registration number is 1166697 and the CIO number is CE006474.

The Foundation is governed by its Constitution dated 22 April 2016.

The registered and the principal office are situated at 18 Buckingham Palace Road, London, SW1W 0QP.

The trustees who are also the members of the Charity have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

The number of trustees shall not be less than three. There is no maximum number.

The Foundation is under the overall control of the trustees who conduct the affairs of the charity. The trustees meet regularly to set the policy and overall direction of the Charity, to review its plans and to discuss the management of the charity's affairs.

The first trustees are the Founder Members, and they are G Gordon and B Gordon. The Founder Members must appoint at least one Independent Trustee, who must not be a member of the Founder Members' family or a connected person. Lucy Blythe was appointed as Independent Trustee in 2016.

Luka Gakic, the Founding Members son-in-law, was appointed trustee during the year. A former refugee and scholarship beneficiary, Luka is committed to upholding and advancing social mobility and compassion in British society.

The Foundation has implemented policies and procedures for the induction and training of both new and existing members.

Governance and operating principles

The Foundation has implemented policies and procedures for the induction and training of both new and existing members.

Trustees have continued to reflect broadly on the goals of the Foundation and how best to focus our efforts to fulfil our mission to promote the security and well-being of society.

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Key management personnel

The trustees consider that they are the key management personnel of the Foundation in charge of directing, controlling, running and operating the charity on a day-to-day basis.

All trustees give their time freely and no trustee received remuneration in the year.

Details of trustees' expenses are disclosed in Note 4 to the accounts.

Objectives and Aims

Principal Objectives and Aims

The Ethos Foundation's vision is a society in which individuals and communities thrive. The Foundation's mission is to promote the security and well-being of society.

Our work is underpinned by our values:

- Fairness - striving for greater equity and justice
- Good citizenship – putting our responsibility to society first
- Reflectiveness - building our knowledge and challenging ourselves

Our overarching goal is to support the United Nations Sustainable Development Goals (SDGs) and in particular:

- SDG No. 1 No Poverty – leave no one behind
- SDG No. 10. Reduce inequality within and among countries

The Foundation is currently focused exclusively on projects addressing societal issues in the UK.

The trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant-making policy for the year.

The trustees are satisfied that the objectives of the Foundation are met through supporting identified best-practice organisations invited to apply for grants. The Ethos Foundation does not accept unsolicited grant applications or proposals for funding.

Principal Activity, Review of Business and Achievements and Performance

The Ethos Foundation is a grant-making charity. The Foundation funds charitable causes and programmes selected by the trustees on the basis of alignment with the Foundation's mission, and regularly monitors our grantee's impact.

Achievements and performance

During the Foundation's financial year grants were made to 22 charities totalling £1,363,045 (2020: 31 grants totalling £1,028,563) representing a 34% increase in funding on the previous year.

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Portfolio of principal charity partners

The Childhood Trust received £625,000 (2020: £640,000) in unrestricted funding. The Childhood Trust (the Charity) is London's child poverty charity, dedicated to alleviating the impact of poverty on children and young people living in the UK's capital. The funding covered a proportion of the Charity's core costs as well as supporting the Charity's match funding campaigns. Trustees recorded their satisfaction with the performance of the Charity against a backdrop of continuing challenging circumstances for children and young people due to lockdowns and school closures.

Faced with the ongoing national emergency arising from the COVID-19 pandemic, the organisation delivered vital support for its partner charities fighting against the impact of child poverty in London. During their last financial year, the Charity raised £6.6 million for charitable projects primarily via the Christmas Challenge 2020 and Champions for Children 2021 summer campaign, consolidating the growth in funding that followed the outbreak of the COVID pandemic.

Over 290,000, or approximately 1 in 3 of the 800,000 children living in poverty in the capital, were supported through the Charity's work to alleviate the worst economic, social and emotional effects of the pandemic. The Charity's advocacy work also intensified, further raising awareness of the devastating impact of the coronavirus epidemic on the capital's most disadvantaged children giving them a voice.

The Cabrach Trust ('the Trust') received £230,000 in unrestricted grants (2020: £185,000). The Trust's vision and long-term ambition is to foster sustainable regeneration within this small rural community in NE Scotland. In support of this aim the Trust's mission is to provide economic and social development opportunities in the Cabrach, creating employment and attracting new visitors to the area to celebrate and protect the cultural heritage, wild landscape and history.

During the year sufficient match funding was secured by the Trust for the Ethos Foundation's £2,000,000 capital pledge to be activated, although draw down had not yet commenced at year-end. The funding enabled final design and planning for the Cabrach Distillery & Heritage Centre to be carried out with construction expected to commence in 2022.

Thrive at Five is a new collective impact initiative to achieve sustainable improvements in terms of school readiness as measured in reception year. The overarching vision for Thrive at Five is a society that cherishes children's development in the early years and where every child can thrive and achieve their full potential.

To develop the framework the organisation plans to run a number of place-based community pathfinders across the UK, the first of which is in Stoke on Trent in partnership with the Local Authority, focusing on two wards Bentilee and Abbey-Hulton. Thrive at Five, entered into a funding agreement with the Foundation and was granted £333,334 as first instalment of a £1 million three-year unrestricted grant agreement with the new organisation.

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Achievements and performance, cont.

The Foundation continued its long-term support for the **Beacon Collaborative** with the aim of building a stronger civil society by encouraging people to use a greater level of their private assets for public good. Beacon is an advocate for philanthropy as a force helping shape our society. An additional £20,000 was donated in 2021 (2020: £20,000).

The Foundation's **miscellaneous smaller grants** totalled £154,711 in 2021 (2020: £127,313), supporting a variety of good causes. The increase in the Foundation's smaller grant-making activity was largely in response to the COVID-19 epidemic and emergency appeals received from a range of charities to which we were able to respond in some cases, with grants which were mainly unrestricted.

List of charities funded in the year

	£
The Childhood Trust	625,000
The Cabrach Trust	230,000
Thrive at Five	333,334
Beacon Fellowship	20,000
Grants below £20,000	
ACMS	
Ashoka UK	
Bail for Immigration Detainees	
Big Issue	
Braemar Community Limited	
City of London Sinfonia	
Distillers' Charity	
Durham University	
Focus on Labour Exploitation	
Grange Park Opera	
Opera Holland Park	
Quintessentially Foundation	
Royal Academy of Dance	
Royal Marsden Cancer Charity	
Royal Philharmonic Orchestra	
St John Ambulance	
Together TV	
Subtotal	154,711
Total	
Granted	<u>1,363,045</u>

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Grant Making

The Foundation will normally apply most of its annual income to charitable causes selected by its trustees. Grant-making decisions will aim to honour and build upon the Foundation's historic philanthropic efforts, and to build positive impact going forward. The Foundation's giving is informed by a multi-generational family commitment to philanthropy.

From time to time, the Foundation may identify new focus areas and will conduct research and due diligence to identify the charities best placed to make a difference within the particular area of need. Those identified will be invited to apply for support. Upon invitation, potential grantees are formally invited to work with the Foundation in preparing grant materials for proposal development and review by the trustees.

Trustees assess all large grants made, with a particular focus on ensuring that charities supported by the Foundation are well governed and have sufficient reserves to provide for their financial sustainability following a set of guidelines as a framework for grant-making decisions.

Risk management

The trustees have a risk management strategy that comprises:

- Regular review of the risks the Foundation may face and updates to the Risk Register
- The establishment of systems and procedures to mitigate those risks identified
- The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.
- Monitoring the impact of grants awarded

Conflict of interest

Conflict of interest is mitigated by keeping the conflict of interest register up to date and following procedures stated in the Constitution for trustees to abstain from certain decisions if this is deemed necessary. Founder Members or a member of the Founders' family shall not be considered to be in a position of conflict of interest merely by virtue of being a trustee of, or being otherwise connected with, a charity connected to a Founder Member or a member of the Founders' family including but not limited to: The Childhood Trust (Registered Charity No 1154032), Distillers' Charity (Registered Charity No 1038763), The Cabrach Trust (Scottish Charity no SC043771) and Thrive at Five (Registered Charity No: 1195059).

Financial Review

Review of Statement of Financial Activities (Including Income and Expenditure Account)

Total income for the year was £999,999 (2020: £999,999) and total expenditure was £1,394,887 (2020: £1,037,739). The overall deficit was £394,888 (2020: Deficit of £37,740).

Reserves at the year-end were £168,487 (2020: £563,375) all of unrestricted funds.

Principal funding sources review

The Foundation's principal source of funds was donations from the Founder Members' family trust. The family's trustees have been notified of the conditional capital grant pledged towards The Cabrach Trust. We are confident that the Foundation will continue to have sufficient funds to meet its grant obligations.

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Reserves policy

The trustees seek to retain a prudent level of reserves.

The reserves policy of the Foundation accords with the Charity Commission's guidelines and comprises the following two elements:

- To underpin the running of the Foundation with six month's running costs
- Within the six months running costs identify those costs that will enable the Foundation to meet its obligations to staff and other stakeholders whilst removing unnecessary expenditure.

As of 30 September 2021, six months' running costs of the Charity as described above are approximately £10,000.

Unrestricted reserve levels are reviewed annually in line with an annual planning and budgeting process and monitored throughout the year.

Investment policy

The trustees take a very conservative view regarding the investment of surplus funds. Under the Constitution, the Foundation has power to make any investment which the trustees see fit after obtaining advice from a financial expert as the trustees consider necessary and permitted to do by the Trustee Act 2000.

The trustees have considered the most appropriate policy for investing funds and have decided funds invested in bank accounts currently meet their requirements.

Looking forward and plans for future

Following the financial year end the Foundation received donations from its Chair totalling approximately £48 million. The newly received capital constitutes the Foundation's pool of charitable resources for future grant-making. The funds will provide increased opportunity for the Foundation to drive forward its mission to promote the security and well-being of society in the UK. In line with the wishes of the Founder Members, it is planned that these funds will be fully granted, in support of the Foundation's mission, by 31st December 2035. The Foundation aims to spend down its endowment.

Fixed Assets

The Foundation has no fixed assets.

Trustees

The trustees of the Charity had no beneficial interest in the funds of the Charity and they were as follows:

G E Gordon Chair
B Gordon
L Blythe
L Gakic (appointed 28 June 2021)

The Ethos Foundation

Registered Charity number: 1166697

Trustees report

Trustees responsibilities

The trustees are responsible for preparing the report and accounts in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period. Under that law the trustees have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under the applicable law trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income or expenditure of the company for that period. In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles of Charities SORP
- make judgements and estimates that are reasonable and prudent
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation
- state whether applicable Accounting Standards and Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Constitution and with the requirements of the Statement of Recommended Practice (SORP 2005) Accounting and Reporting by Charities, as well as that that they are prepared in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).

They are also responsible for safeguarding the assets of the Foundation and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website.

This report was approved by the board on June 20th 2012 and signed on its behalf.



G Gordon
Founder Member

**Independent examiner's report to the trustees of
The Ethos Foundation
Year ended 30 September 2021**

I report on the accounts of the Foundation for the year ended 30 September 2021, which comprise the Statement of Financial Activities, the Cash Flow Statement and the Balance Sheet and the related notes. These accounts have been prepared in accordance with the accounting policies set out therein and the requirements of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - Charities SORP FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

This report is made solely to the Charity's Trustees, as a body. My work has been undertaken so that I might state to the trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for my work, for this report or for the opinion I have formed.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this period under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of Association of Chartered Certified Accountants (ACCA).

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- to state whether particular matters have come to my attention

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act; and
- to prepare accounts in a form and content set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair" view which is not a matter considered as part of an independent examination.

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Monika Hazelton FCCA
Independent examiner
Winston Hazelton & Co Ltd
Chartered Certified Accountants
34 Arlington Road
London
NW1 7HU

24 June 2022



The Ethos Foundation
Statement of Financial Activities (Including Income and Expenditure Account)
for the year ended 30 September 2021

	Notes	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income					
Income from:					
Donations		999,999	-	999,999	999,999
Total Income		<u>999,999</u>	<u>-</u>	<u>999,999</u>	<u>999,999</u>
Expenditure					
Expenditure on:					
Charitable activities	2	(1,383,322)	-	(1,383,322)	(1,034,785)
Other expenditure	2	(11,565)	-	(11,565)	(2,954)
Total Expenditure		<u>(1,394,887)</u>	<u>-</u>	<u>(1,394,887)</u>	<u>(1,037,739)</u>
Net movement in funds		(394,888)	-	(394,888)	(37,740)
Reconciliation of funds:					
Total funds brought forward		563,375	-	563,375	601,115
Total funds carried forward		<u>168,487</u>	<u>-</u>	<u>168,487</u>	<u>563,375</u>

Continuing operations

All of the above results in the current and comparative years are derived from continuing activities.

Other recognised gains and losses

There were no other recognised gains or losses other than those stated above.

Movements in funds

Movements in funds are disclosed in Note 8 to the Accounts.

Comparative figures

See note 15.

The Ethos Foundation
Cash Flow Statement
for the year ended 30 September 2021

	2021	2020
	£	£
Cash generated from operations		
Net movement in funds	(394,888)	(37,740)
Adjustments for		
Decrease/(increase) in debtors	494,933	(5,775)
Increase/(decrease) in creditors	792	(5,116)
	<u>100,837</u>	<u>(48,631)</u>
Net increase/(decrease) in cash	100,837	(48,631)
Cash at bank and in hand less overdrafts at start of the period	<u>60,001</u>	<u>371,387</u>
Cash at bank and in hand less overdrafts at end of the year	<u>160,838</u>	<u>60,001</u>
 Consisting of:		
Cash at bank and in hand at end of the period	<u>160,838</u>	<u>60,001</u>

The Ethos Foundation
Balance Sheet
as at 30 September 2021

Charity Number
1166897
CIO No CE006474

	Notes	£	2021 £	£	2020 £
Current assets					
Debtors	5	10,841		505,774	
Cash at bank and in hand		<u>160,838</u>		<u>60,001</u>	
		171,679		565,775	
Creditors: amounts falling due within one year	6	(3,192)		(2,400)	
Net current assets			168,487		563,375
Net assets			<u>168,487</u>		<u>563,375</u>
Funds					
Unrestricted Funds	7		168,487		563,375
Restricted Funds			-		-
Total funds			<u>168,487</u>		<u>563,375</u>

Approved by the board on 20th June 2022 and signed on its behalf by:



G Gordon
Founder Member

**The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2021**

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention (unless otherwise stated in the relevant policy or note) and 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 Republic of Ireland (FRS102) and the Charities Act 2011.

Public benefit entity

The Charity meets the definition of a public entity under FRS 102.

Going concern

The trustees consider that there are no material uncertainties related to event or conditions that cast significant doubt upon the Foundation's ability to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees considered the Charity's budget projection. The trustees made enquires and have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Following the guidance from the Charities SORP Committee on the implications of the COVID-19 epidemic on control measures and charity financial reporting, the Trustees considered the charity's sustainability in the light of COVID-19 and concluded that it had adequate reserves at present and that the principal sources of core cost funding were not under threat.

Fund accounting

Unrestricted funds comprise income receivable or generated for the furtherance of the objects of the Charity without a specified purpose and are available as general funds. Expenditure which meet these criteria are charged to the funds, together with a fair allocation of support costs. Accumulated surpluses are available for use at the discretion of the trustees.

Restricted funds are used for the specific purposes laid down by the donor (if any). Expenditure which meet these criteria are charged to the funds.

Income

Total income is included in the Statement of Financial Activities. Income comprises principally donations to further the charities objectives. Donations are brought into income when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered. Expenditure which is directly attributable to specific activities will be included in the relevant activity.

Support costs

These are management and administrative costs and comprise expenditure not directly attributable to the generated funds, charitable or fund raising activities of the Charity, but relate to furtherance of the Charity's objectives. They are therefore allocated to the relevant category of resources expended based on estimates of the time devoted to each activity.

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2021

Accounting policies, cont.

Cash at bank and in hand

Cash at bank and in hand includes bank balance held in a current account.

Creditors

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.

Taxation

The Charity is not liable to corporation tax as it is a Registered Charity.

The Charity is not VAT registered and can therefore not recover input tax on goods and services purchased.

2 Analysis of expenditure

	Raising funds	Charitable activities	Support costs	2021 Total costs	2020 Total costs
	£	£	£	£	£
Charitable donations	-	1,363,045	-	1,363,045	1,028,563
Support to Thrive at Five	-	11,354	-	11,354	-
Charity platforms administrative charges	-	35	-	35	1,239
Accounting-Independent Examiner	-	-	2,880	2,880	2,400
Legal fees	-	-	7,698	7,698	-
Travel and subsistence	-	-	-	-	(495)
Bank charges	-	-	136	136	181
Consultancy costs	-	-	2,667	2,667	3,209
Social media strategy costs	-	-	3,997	3,997	151
General expenses	-	-	405	405	-
Subscriptions	-	-	2,670	2,670	2,491
	-	1,374,434	20,453	1,394,887	1,037,739
	Restricted funds:	Unrestricted funds:			
Charitable activities					
Grants	-	1,374,434			1,029,802
Support costs	-	8,888	(8,888)		4,983
	-	1,383,322			1,034,785
Other expenditure					
Support costs		11,565	(11,565)		2,954
	-	11,565	(20,453)		2,954
Total expenditure	-	1,394,887	-		1,037,739

Support costs include all expenditure not directly related to the charitable activity. These are allocated to the relevant activity based on estimates of time devoted to each activity.

All grants given were to institutions. Details and reconciliations of material grants given are presented and reconciled in the Trustees' Annual Report.

3 Net movement in funds

	2021 £	2020 £
This is stated after charging:		
Independent examination	2,880	2,400

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2021

4 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2021	2020
	£	£
Travel cost	<u>-</u>	<u>(495)</u>

The trustees did not receive any remuneration for services to the Charity during the year.

The Charity had no employees during the period, and therefore staff costs were nil.

5 Debtors	2021	2020
	£	£
Funds to which entitlement conditions have been met	-	499,999
Other debtors	10,194	-
Prepayments	647	5,775
	<u>10,841</u>	<u>505,774</u>

6 Creditors: amounts falling due within one year	2021	2020
	£	£
Deferred income	312	-
Other creditors	2,880	2,400
	<u>3,192</u>	<u>2,400</u>

7 Unrestricted Funds	2021	2020
	£	£
At the beginning of year	563,375	601,115
Donations incoming	999,999	999,999
Resources outgoing	(1,394,887)	(1,037,739)
	<u>168,487</u>	<u>563,375</u>
At the end of the year		

8 Analysis of net assets between funds	2021	2021	2021	2020
	Unrestricted	Restricted	Total	£
	Funds	Funds	Funds	Funds
Current assets	171,679	-	171,679	565,775
Creditors: amounts falling due within one year	(3,192)	-	(3,192)	(2,400)
	<u>168,487</u>	<u>-</u>	<u>168,487</u>	<u>563,375</u>

9 Charity information

The Ethos Foundation is a Charitable Incorporated Organisation (the CIO) which has a principal office in England. Principal address and registered office is 18 Buckingham Palace Road, London, SW1W 0QP.

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2021

10 Presentation currency

The financial statements are presented in Sterling.

11 Transactions with trustees

There was a donation received of £312, inclusive of gift aid, from the Chair of the Foundation, G. Gordon in strict support of The Distillers' Charity 350th anniversary. The appeal for the funds took place in December 2021 and therefore the £312 donation was included in the deferred income. Also some legal costs of a charitable nature were met by the Foundation. On examination of these costs, it was established that they should have been paid by the Founders trustees instead. The amount of £10,194 is therefore included in other debtors and it was repaid back to the Foundation after the year end.

12 Liability of members

The members of the Charity (being the Charitable Incorporated Organisation, the CIO) have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities on winding up.

13 Connected charities

Some of the Trustees of the Charity are also Trustees of the following (but not limited to) organisations: The Childhood Trust (Registered Charity 1154032), The Cabrach Trust (Scottish Charity SC043771) and Thrive at Five (Registered Charity 1195059) that received material donations as noted in the Trustees' Annual Report.

14 Accounting period

30 September continued to be a preferred date to report the achievements of the Charity.

15 Statement of Financial Activities (Including Income and Expenditure Account)
for the year ended 30 September 2020 (comparative figures)

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Income				
Income from:				
Donations		999,999	-	999,999
Total Income		<u>999,999</u>	<u>-</u>	<u>999,999</u>
Expenditure				
Expenditure on:				
Charitable activities	2	(1,034,785)	-	(1,034,785)
Other expenditure	2	(2,954)	-	(2,954)
Total Expenditure		<u>(1,037,739)</u>	<u>-</u>	<u>(1,037,739)</u>
Net movement in funds		(£37,740)	-	(£37,740)
Reconciliation of funds:				
Total funds brought forward		601,115	-	-
Total funds carried forward		<u>563,375</u>	<u>-</u>	<u>(37,740)</u>

Accounts

Charity Number
1166697
CIO No CE006474

ETHOS FOUNDATION

A Charitable Incorporated Organisation (CIO)

Report and Unaudited Accounts

Year ended 30 September 2020

The Ethos Foundation
Report and accounts
Year ended 30 September 2020

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The Ethos Foundation Charity Information

Trustees

G E Gordon Chair
B Gordon
L Blythe

Independent Examiner

Monika Hazelton FCCA
Winston Hazelton & Co Ltd
34 Arlington Road
London
NW1 7HU

Principal address

18 Buckingham Palace Road
London
SW1W 0QP

Registered office

18 Buckingham Palace Road
London
SW1W 0QP

Charity number

1166697

Bankers

Barclays
1 Churchill Place
London
E14 5HP

Solicitors

Bates Wells
10 Queen Street Place
London
EC4R 1BE

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

The trustees present their report and accounts for the year ended 30 September 2020.

This report incorporates the strategic report of the Charity, including its achievements and plans for the future.

The trustees have adopted the provisions of the Statement of Recommended Practice (FRS 102 Charities SORP) on "Accounting and Reporting by Charities", effective 1 January 2019, in preparing the annual report and financial statements of the charity.

Structure, Governance and Management

Structure and organisation

The Ethos Foundation was incorporated on 22 April 2016 as a Charitable Incorporated Organisation (CIO) with the Charity Commission in England. The charity registration number is 1166697 and the CIO number is CE006474.

The Foundation is governed by its Constitution dated 22 April 2016.

The registered and the principal office are situated at 18 Buckingham Palace Road, London, SW1W 0QP.

The trustees who are also the members of the Charity have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

The number of trustees shall not be less than three. There is no maximum number.

The Charity is under the overall control of the trustees who conduct the affairs of the charity. The trustees meet regularly to set the policy and overall direction of the Charity, to review its plans and to discuss the management of the Charity's affairs.

The first charity trustees are the Founder Members, and they are G Gordon and B Gordon. The Founder Members must appoint at least one Independent Trustee to serve for a term of three years. The Independent Trustee must not be a member of the Founder Members' family or a connected person.

The Charity has an open recruitment procedure for new trustees who have the appropriate skills and experience to meet the needs of the organisation. The Charity has implemented policies and procedures for the induction and training of both new and existing members.

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The Charity has an open recruitment procedure for new trustees who have the appropriate skills and experience to meet the needs of the organisation. The Charity has implemented policies and procedures for the induction and training of both new and existing members.

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Structure, Governance and Management, cont.

Governance and operating principles

Trustees have continued to reflect broadly on the goals of the Foundation and how best to focus our efforts to fulfil our mission to support our communities and UK society in general. Our overall policies continued to follow the European Foundation Centre Principles of Good Practice.

Key management personnel

The trustees consider that they are the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on the day to day basis.

All trustees give their time freely and no trustee received remuneration in the year.

Details of trustees' expenses are disclosed in Note 4 to the accounts.

Objectives and Aims

Principal Objectives and Aims

The Ethos Foundation's vision is a society in which individuals and communities thrive. The Foundation's mission is to support local communities and society in general.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant-making policy for the year.

The trustees are satisfied that the objectives of the Charity are met through supporting identified best-practice organisations invited to apply for grants.

The Charity does not actively fundraise but relies on donations from the Founder Member's family trust. The Foundation's giving is informed by a multi-generational family commitment to philanthropy. Our purpose is to secure the wellbeing of UK society and communities underpinned by our values.

- Fairness - striving for greater equity and justice
- Reflectiveness - building our knowledge and challenging ourselves
- Sustainability - ensuring a legacy of positive change

Principal Activity, Review of Business and Achievements and Performance

The Ethos Foundation is a grant-making charity. The Charity funds charitable causes and programmes, selected by the trustees on the basis of alignment with the Foundation's mission.

Achievements and performance

During the Foundation's financial year grants were made to thirty one charitable causes totalling £1,028,563 (2019: 13 grants totalling £755,188).

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Achievements and performance, cont.

The largest beneficiary, **The Childhood Trust**, received £640,000 (2018: £400,000). The Childhood Trust ('the Charity') is London's child poverty charity, dedicated to alleviating the impact of poverty on children and young people living in the capital. The funding covered a proportion of the charity's core costs as well as support for the Charity's own fundraising campaigns. Trustees recorded their satisfaction with the exceptional performance of the Charity during this most difficult time for children in London.

Faced with a national emergency arising from the COVID-19 pandemic, the organisation reacted swiftly in support of its partner charities fighting against the impact of child poverty in London. During their last financial year, the Charity raised £5.9 million for charitable projects primarily via the Christmas Challenge and Champions for Children summer campaign, an increase of 95% compared to the previous year.

The match fundraising campaigns supported 166 projects delivered by the Charity's campaign partners. The project activities engaged 214,000 children, more than double the previous year. These projects aim to meet children's practical and emotional needs, through the provision of unrestricted funding to the Charity's partner charities, many of whom faced big challenges in their service models, often having to substitute online provision of support in the place of face-to-face delivery. The Charity's advocacy work also intensified, raising awareness of the devastating impact of the coronavirus epidemic on the capital's most disadvantaged children.

The Cabrach Trust ('the Trust') received £185,000 in unrestricted grants (2018: £264,318). The Trust's mission is to provide economic and social development opportunities for the Cabrach, creating jobs and attracting new visitors to the area to celebrate and protect the cultural heritage, wild landscape and history of the Cabrach.

In 2020 the Trust undertook a strategic planning exercise revisiting its theory of change. This process helped to clarify activities that would be prioritised to support the Trust's vision and long-term ambition to foster sustainable rural regeneration.

The Trust's board concluded that it would place greater priority on the development of income generating trading activities, by seeking to expedite building the Cabrach Distillery. The Foundation's 2019 pledge of £2,000,000 towards the Trust's capital project will not be drawn down until sufficient match funding is raised.

Many charities supporting our nation's culture and heritage came under severe pressure in terms of sustainability due to the consequences of the COVID-19 pandemic. In this context the Foundation made a contribution of £30,000 to the **National Trust of Scotland** emergency appeal.

During the early stages of the COVID-19 pandemic the Foundation granted £20,250 to the **National Emergency Trust** appeal with the Big Give to raise funds for local charities and grassroots organisations to provide vital support to people in the quickest way possible.

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Achievements and performance, cont.

The Foundation continued its long-term support for the **Beacon Collaborative**, a movement to encourage more private assets to be used for public good. Beacon does this by spreading best practice in philanthropy. An additional £20,000 was donated in 2020.

The Foundation's **miscellaneous smaller grants** totalled £127,313 in 2020 (2019: £50,870), supporting a variety of good causes. The increase in the Foundation's smaller grant-making activity was largely in response to the COVID-19 epidemic and emergency appeals received from a range of charities to which we were able to respond in some cases, with grants which were mainly unrestricted.

List of charities funded in the year

	£
The Childhood Trust	640,000
The Cabrach Trust	185,000
National Trust for Scotland	36,000
National Emergency Trust COVID-19 Emergency Appeal	20,250
Beacon Fellowship	20,000
Grants below £20,000	
Bail for Immigration Detainees	
Big Give for K&C Community Foundation	
Big Give for Safe Families	
City of London Sinfonia	
D&J Gordon Memorial Trust	
Dartington Service Design Lab for Thrive at Five	
Distillers' Charity	
Dogs Trust	
Focus on Labour Exploitation	
Givergy for Champions for Children	
Grange Park Opera	
Human Rights Watch	
Imperial College Covid Appeal	
Jubilee Sailing Trust	
Mayor's Fund for London	
Moray Emergency Relief Fund (MERF)	
New Philanthropy Capital	
Northwestern University (USA) Foundation	
Opera Holland Park	
Scaramouche	
The Children's Society	
The Foundling Museum	
The Hunter Foundation	
United Nations Covid appeal	
Upper Cabrach Church Trust	
Walnut Tree Health and Wellbeing C.I.C	
Subtotal	127,313
Total	
Granted	<u>1,028,563</u>

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Grant Making

The Foundation will normally apply most of its annual income to charitable causes selected by its trustees. Grant-making decisions will aim to honour and build upon the Foundation's historic philanthropic efforts, and to build positive impact going forward.

From time to time, the Foundation may identify new focus areas and will conduct research and due diligence to identify the charities best placed to make a difference within the particular area of need. Those identified will be invited to apply for support. Upon invitation, potential grantees are formally invited to work with the Foundation in preparing grant materials for proposal development and review by the trustees.

Trustees assess all large grants made, with a particular focus on ensuring that charities supported by the Foundation are well governed and have sufficient reserves to provide for their financial sustainability following a set of guidelines as a framework for grant-making decisions.

Risk management

The trustees have a risk management strategy that comprises:

- Regular review of the risks the Charity may face and updates to the Risk Register
- The establishment of systems and procedures to mitigate those risks identified
- The implementation of procedures designed to minimise any potential impact on the Charity should those risks materialise.
- Monitoring the impact of grants awarded

Conflict of interest

Conflict of interest is mitigated by keeping the conflict of interest register up to date and following procedures stated in the Constitution for trustees to abstain from certain decisions if this is deemed necessary. Founder Members or a member of the Founders' family shall not be considered to be in a position of conflict of interest merely by virtue of being a trustee of, or being otherwise connected with, a charity connected to a Founder Member or a member of the Founders' family including but not limited to: The Childhood Trust (Registered Charity No 07746081), Distillers' Charity (Registered Charity No 1038763) and The Cabrach Trust (Scottish Charity no SC043771).

Financial Review

Review of Statement of Financial Activities (Including Income and Expenditure Account)

Total income for the year was £999,999 (2019: £999,999) and total expenditure was £1,037,739 (2019: £765,471). The overall deficit was £37,740 (2019: Surplus of £234,528).

Reserves at the year-end were £563,375 (2019: 601,115) all of unrestricted funds.

Principal funding sources review

The Charity's principal source of funds was donations from the Founder Members' family trust. The family's trustees have been notified of the conditional capital grant pledged towards The Cabrach Trust. We are confident that the Foundation will continue to have sufficient funds to meet its grant obligations.

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Reserves policy

The trustees seek to retain a prudent level of reserves.

The reserves policy of the Foundation accords with the Charity Commission's guidelines and comprises the following two elements:

- To underpin the running of the Charity with three month's running costs excluding those directly funded by restricted funds
- Within the three months running costs identify those costs that will enable the Charity to meet its obligations to staff and other stakeholders whilst removing unnecessary expenditure.

As of 30 September 2020, three months running costs of the Charity as described above are estimated to be approximately £2,500.

Unrestricted reserve levels are reviewed annually in line with an annual planning and budgeting process and monitored throughout the year.

Investment policy

The trustees take a very conservative view regarding the investment of surplus funds. Under the Constitution, the Foundation has power to make any investment which the trustees see fit after obtaining advice from a financial expert as the trustees consider necessary and permitted to do by the Trustee Act 2000.

The trustees have considered the most appropriate policy for investing funds and have decided funds invested in bank accounts currently meet their requirements.

Looking forward and plans for future

The world continues to face one of the worst crises in recent peacetime history. Economic activity has been hugely curtailed with the effect that in the United Kingdom, where the Foundation focuses, up to 20% of the work force is presently inactive. Those bearing the brunt of this severe downturn are primarily the most disadvantaged and younger members of society. Now, arguably as much as ever, inequality is the biggest issue facing humanity, alongside climate change. Poverty levels are rising and opportunities for children and young people to thrive are far too limited.

Against this challenging background it is expected that further funding will, subject to trustees' approval, be channelled towards the Foundation's principal current cause, the alleviation of child poverty. We plan however to maintain our focus on rural regeneration at the Cabrach, underpinning our commitment to support this remote community of NE Scotland.

Looking back on our field trip in 2019 to visit Detroit, an urban community in North America severely blighted by poverty, we took away a strong impression of the value of collective approaches to delivering impact. With the onset of the global coronavirus pandemic and related lockdowns, which severely impacted our nation, we continued to reflect upon how the Foundation's work could potentially support collective impact initiatives funding causes that we are focused on, such as child poverty, potentially achieving systemic change.

The Ethos Foundation

Registered Charity number: 1166697

Trustees report

Looking forward and plans for future, cont.

In the context of the UN Sustainable Development Goals (SDGs) and our particular focus on SDG #1 No Poverty, we reflected on how collaborative ways of working could play a meaningful role in delivering impact at scale, notwithstanding our modest grant-making capacity. Going forward the SDGs will continue to be a helpful framework to guide and focus our work.

In terms of child poverty, we will remain committed to supporting better outcomes for disadvantaged children in London, while considering how we can extend our work to include early intervention.

Building upon the Trust's ongoing commitment to alleviating poverty, a new initiative was identified in 2020 to improve outcomes in early child development, and ultimately in narrowing the school readiness gap within disadvantaged communities nationwide. A new charity, named 'Thrive at Five' is expected to emerge from this work and trustees began considering the opportunity for the Foundation to support this initiative. Exploratory work took place together with other funders and early years sector experts, leading to the development of a draft theory of change for 'Thrive at Five', which was reviewed by trustees.

In addition, the Foundation continues to believe that social capital plays an essential role in underpinning the health and sustainability of our communities in the face of deep societal divisions and high degrees of inequality. We will seek to ensure that the charities and programmes that the Foundation supports share this belief and are able to respond positively to redressing society's deficit in this critical area.

Fixed Assets

The Foundation has no fixed assets.

Trustees

The trustees of the Charity had no beneficial interest in the funds of the Charity and they were as follows:

G E Gordon Chair
B Gordon
L Blythe

Trustees responsibilities

The trustees are responsible for preparing the report and accounts in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial period. Under that law the trustees have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Ethos Foundation
Registered Charity number: 1166697
Trustees report

Trustees responsibilities, cont.

Under the applicable law trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income or expenditure of the company for that period. In preparing these accounts, the trustees are required to:

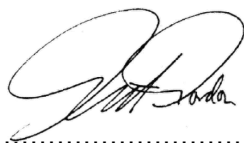
- select suitable accounting policies and then apply them consistently
- observe the methods and principles of Charities SORP
- make judgements and estimates that are reasonable and prudent
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation
- state whether applicable Accounting Standards and Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Constitution and with the requirements of the Statement of Recommended Practice (SORP 2005) Accounting and Reporting by Charities, as well as that that they are prepared in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102).

They are also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website.

This report was approved by the board on 9th April 2021 and signed on its behalf.



.....
G Gordon
Founder Member

**Independent examiner's report to the trustees of
The Ethos Foundation
Year ended 30 September 2020**

I report on the accounts of the Foundation for the year ended 30 September 2020, which comprise the Statement of Financial Activities, the Cash Flow Statement and the Balance Sheet and the related notes. These accounts have been prepared in accordance with the accounting policies set out therein and the requirements of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - Charities SORP FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

This report is made solely to the Charity's Trustees, as a body. My work has been undertaken so that I might state to the trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for my work, for this report or for the opinion I have formed.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this period under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of Association of Chartered Certified Accountants (ACCA).

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act; and
- to prepare accounts in a form and content set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a "true and fair" view which is not a matter considered as part of an independent examination.

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Monika Hazelton FCCA
Independent examiner
Winston Hazelton & Co Ltd
Chartered Certified Accountants
34 Arlington Road
London
NW1 7HU



27th April 2021

The Ethos Foundation
Statement of Financial Activities (Including Income and Expenditure Account)
for the year ended 30 September 2020

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Income					
Income from:					
Donations		999,999	-	999,999	999,999
Total Income		<u>999,999</u>	<u>-</u>	<u>999,999</u>	<u>999,999</u>
Expenditure					
Expenditure on:					
Charitable activities	2	(1,034,785)	-	(1,034,785)	(762,283)
Other expenditure	2	(2,954)	-	(2,954)	(3,188)
Total Expenditure		<u>(1,037,739)</u>	<u>-</u>	<u>(1,037,739)</u>	<u>(765,471)</u>
Net movement in funds		(37,740)	-	(37,740)	234,528
Reconciliation of funds:					
Total funds brought forward		601,115	-	601,115	366,587
Total funds carried forward		<u>563,375</u>	<u>-</u>	<u>563,375</u>	<u>601,115</u>

Continuing operations

All of the above results in the current and comparative years are derived from continuing activities.

Other recognised gains and losses

There were no other recognised gains or losses other than those stated above.

Movements in funds

Movements in funds are disclosed in Note 8 to the Accounts.

Comparative figures

See note 15.

The Ethos Foundation
Cash Flow Statement
for the year ended 30 September 2020

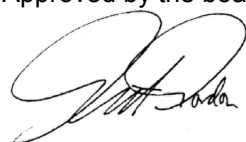
	2020	2019
	£	£
Cash generated from operations		
Net movement in funds	(37,740)	234,528
Adjustments for		
Increase in debtors	(5,775)	(499,999)
(Decrease)/increase in creditors	(5,116)	2,716
	<u>(48,631)</u>	<u>(262,755)</u>
Net decrease in cash	(48,631)	(262,755)
Cash at bank and in hand less overdrafts at start of the period	<u>108,632</u>	<u>371,387</u>
Cash at bank and in hand less overdrafts at end of the year	<u>60,001</u>	<u>108,632</u>
 Consisting of:		
Cash at bank and in hand at end of the period	<u>60,001</u>	<u>108,632</u>

The Ethos Foundation
Balance Sheet
as at 30 September 2020

Charity Number
1166697
CIO No CE006474

	Notes	£	2020 £	£	2019 £
Current assets					
Debtors	5	505,774		499,999	
Cash at bank and in hand		60,001		108,632	
		<u>565,775</u>		<u>608,631</u>	
Creditors: amounts falling due within one year	6	(2,400)		(7,516)	
Net current assets			<u>563,375</u>		<u>601,115</u>
Net assets			<u>563,375</u>		<u>601,115</u>
Funds					
Unrestricted Funds	7		563,375		601,115
Restricted Funds			-		-
Total funds			<u>563,375</u>		<u>601,115</u>

Approved by the board on 9th April 2021 and signed on its behalf by:



.....
G Gordon
Founder Member

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2020

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention (unless otherwise stated in the relevant policy or note) and 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 Republic of Ireland (FRS102) and the Charities Act 2011.

Public benefit entity

The Charity meets the definition of a public entity under FRS 102.

Going concern

The trustees consider that there are no material uncertainties related to event or conditions that cast significant doubt upon the Charity's ability to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees considered the Charity's budget projection. The trustees made enquires and have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Following the guidance from the Charities SORP Committee on the implications of the COVID-19 epidemic on control measures and charity financial reporting, the Trustees considered the charity's sustainability in the light of COVID-19 and concluded that it had adequate reserves at present and that the principal sources of core cost funding were not under threat.

Fund accounting

Unrestricted funds comprise income receivable or generated for the furtherance of the objects of the Charity without a specified purpose and are available as general funds. Expenditure which meet these criteria are charged to the funds, together with a fair allocation of support costs. Accumulated surpluses are available for use at the discretion of the trustees.

Restricted funds are used for the specific purposes laid down by the donor (if any). Expenditure which meet these criteria are charged to the funds.

Income

Total income is included in the Statement of Financial Activities. Income comprises principally donations to further the charities objectives. Donations are brought into income when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered. Expenditure which is directly attributable to specific activities will be included in the relevant activity.

Support costs

These are management and administrative costs and comprise expenditure not directly attributable to the generated funds, charitable or fund raising activities of the Charity, but relate to furtherance of the Charity's objectives. They are therefore allocated to the relevant category of resources expended based on estimates of the time devoted to each activity.

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2020

Accounting policies, cont.

Cash at bank and in hand

Cash at bank and in hand includes bank balance held in a current account.

Creditors

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.

Taxation

The Charity is not liable to corporation tax as it is a Registered Charity.

The Charity is not VAT registered and can therefore not recover input tax on goods and services purchased.

2 Analysis of expenditure

	Raising funds	Charitable activities	Support costs	2020 Total costs	2019 Total costs
	£	£	£	£	£
Charitable donations	-	1,028,563	-	1,028,563	755,188
Accounting-Independent Examiner	-	-	2,400	2,400	2,400
Charity platforms administrative charges	-	1,239	-	1,239	-
Travel and subsistence	-	-	(495)	(495)	5,823
Bank charges	-	-	181	181	-
Consultancy costs	-	-	3,209	3,209	800
Social media strategy costs	-	-	151	151	1,100
Subscriptions	-	-	2,491	2,491	160
	-	1,029,802	7,937	1,037,739	765,471
	Restricted funds:	Unrestricted funds:			
Charitable activities					
Grants	-	1,029,802			755,188
Support costs	-	4,983	(4,983)		7,095
	-	1,034,785			762,283
Other expenditure					
Support costs		2,954	(2,954)		3,188
	-	2,954	(7,937)		3,188
Total expenditure	-	1,037,739	-		765,471

Support costs include all expenditure not directly related to the charitable activity. These are allocated to the relevant activity based on estimates of time devoted to each activity.

All grants given were to institutions. Details and reconciliations of material grants given are presented and reconciled in the Trustees' Annual Report.

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2020

Analysis of expenditure, cont.

Included in consultancy costs is an amount of £2,375 used to book a function room at a venue for the launch of Thrive@Five, a new early years charitable initiative, which The Childhood Trust is assisting. Subsequently, the venue went bankrupt in November 2020. It is assumed that the deposit is lost. There is also a charge of £175 for fundraising research in relation to the same initiative. In addition, the consultancy costs include a fee of £659 that was incurred due to the Foundation's interest in the Cabrach Trust and a report related to a prospective capital acquisition.

3 Net movement in funds	2020	2019
	£	£
This is stated after charging:		
Independent examination	2,400	2,400

4 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2020	2019
	£	£
Travel cost	(495)	5,823

The trustees did not receive any remuneration for services to the Charity during the year.

Trustees' travel costs include costs of attendance of European Foundation Centre Anniversary event and an adjustment to 2019 overstated costs (2019: The Philanthropy Workshop field trip to Detroit).

The Charity had no employees during the period, and therefore staff costs were nil.

5 Debtors	2020	2019
	£	£
Funds to which entitlement conditions have been met	499,999	499,999
Prepayments	5,775	-
	<u>505,774</u>	<u>499,999</u>

6 Creditors: amounts falling due within one year	2020	2019
	£	£
Other creditors	2,400	7,516

7 Unrestricted Funds	2020	2019
	£	£
At the beginning of year	601,115	366,587
Donations incoming	999,999	999,999
Resources outgoing	(1,037,739)	(765,471)
At the end of the year	<u>563,375</u>	<u>601,115</u>

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2020

8 Analysis of net assets between funds	2020 Unrestricted Funds	2020 Restricted Funds	2020 Total Funds	2019 £ Funds
Current assets	565,775	-	565,775	608,631
Creditors: amounts falling due within one year	(2,400)	-	(2,400)	(7,516)
	<u>563,375</u>	<u>-</u>	<u>563,375</u>	<u>601,115</u>

9 Charity information

The Ethos Foundation is a Charitable Incorporated Organisation (the CIO) which has a principal office in England. Principal address and registered office is 18 Buckingham Palace Road, London, SW1W 0QP.

10 Presentation currency

The financial statements are presented in Sterling.

11 Transactions with trustees

There were no transactions with the trustees during the period.

12 Liability of members

The members of the Charity (being the Charitable Incorporated Organisation, the CIO) have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities on winding up.

13 Connected charities

Some of the Trustees of the Charity are also Trustees of the following (but not limited to) organisations: The Childhood Trust (Registered Charity 07746081) and The Cabrach Trust, (Scottish Charity SC043771), that both received material donations as noted in the Trustees' Annual Report.

14 Accounting period

30 September continued to be a preferred date to report the achievements of the Charity.

The Ethos Foundation
Notes to the Accounts
for the year ended 30 September 2020

15 Statement of Financial Activities (Including Income and Expenditure Account)
for the year ended 30 September 2019 (comparative figures)

	Notes	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Income				
Income from:				
Donations		999,999	-	999,999
Total Income		<u>999,999</u>	<u>-</u>	<u>999,999</u>
Expenditure				
Expenditure on:				
Charitable activities	2	(762,283)	-	(762,283)
Other expenditure	2	(3,188)	-	(3,188)
Total Expenditure		<u>(765,471)</u>	<u>-</u>	<u>(765,471)</u>
Net movement in funds		234,528	-	234,528
Reconciliation of funds:				
Total funds brought forward		366,587	-	-
Total funds carried forward		<u>601,115</u>	<u>-</u>	<u>234,528</u>