

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
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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.

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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.

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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
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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.

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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
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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>