

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 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
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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.

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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 | <hr/> |
| Granted | <u>1,028,563</u> |

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 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.

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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:

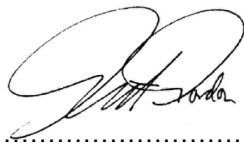
- select suitable accounting policies and then apply them consistently
- observe the methods and principles of Charities SORP
- make judgements and estimates that are reasonable and prudent
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue 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

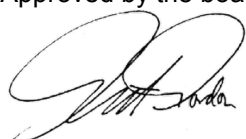
| | 2020 | 2019 |
|--|-----------------|------------------|
| | £ | £ |
| Cash generated from operations | | |
| Net movement in funds | (37,740) | 234,528 |
| Adjustments for | | |
| Increase in debtors | (5,775) | (499,999) |
| (Decrease)/increase in creditors | (5,116) | 2,716 |
| | <u>(48,631)</u> | <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 | <u>2,400</u> | <u>2,400</u> |

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

| | | |
|--------------------|--------------|--------------|
| | 2020 | 2019 |
| | £ | £ |
| Travel cost | <u>(495)</u> | <u>5,823</u> |

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 | <u>5,775</u> | <u>-</u> |
| | <u>505,774</u> | <u>499,999</u> |

6 Creditors: amounts falling due within one year

| | | |
|-----------------|--------------|--------------|
| | 2020 | 2019 |
| | £ | £ |
| Other creditors | <u>2,400</u> | <u>7,516</u> |

7 Unrestricted Funds

| | | |
|--------------------------|--------------------|------------------|
| | 2020 | 2019 |
| | £ | £ |
| At the beginning of year | 601,115 | 366,587 |
| Donations incoming | 999,999 | 999,999 |
| Resources outgoing | <u>(1,037,739)</u> | <u>(765,471)</u> |
| At the end of the year | <u>563,375</u> | <u>601,115</u> |

The Ethos Foundation
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| 8 Analysis of net assets between funds | 2020 | 2020 | 2020 | 2019 |
|--|---------------------|-------------------|----------------|----------------|
| | Unrestricted | Restricted | Total | £ |
| | Funds | Funds | Funds | 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
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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> |