

Charity Number
1166697

The logo for Ethos Foundation, featuring the word "ETHOS" in a large, bold, white sans-serif font, followed by the word "FOUNDATION" in a smaller, all-caps, white sans-serif font. The text is set against a dark blue rectangular background.

ETHOS FOUNDATION

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 Gacic

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 Gacic, 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	<u>1,831,157</u>

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	<u>150,778</u>

Total Granted	<u><u>1,981,935</u></u>
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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

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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
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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.



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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		<u>48,504,293</u>		<u>160,838</u>	
		56,839,052		171,679	
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
	-	1,981,996	51,230	2,033,226	1,394,887
			90% of Support costs		
Charitable activities	Restricted funds:	Unrestricted funds:			
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-imbusement 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
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9 Analysis of net assets between funds	2022	2022	2022	2021
	Unrestricted	Restricted	Total	£
	Funds	Funds	Funds	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>