



ESSENTIA FOUNDATION SCIO

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2025**

SCOTTISH CHARITY NUMBER: SC050660



ESSENTIA FOUNDATION SCIO

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2025**

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ESSENTIA FOUNDATION SCIO

REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2025

The Trustees present their report together with the audited financial statements of the charity for the fifteen month period ended 31 December 2025.

Objectives and Activities

The charity's main purpose is the promotion of the health and social welfare of children and young people, and the promotion for the benefit of the public of urban or rural regeneration in areas of social and economic deprivation in Scotland by all or any of the following means:

- The advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience;
- The provision of financial assistance, technical assistance or business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help in setting up their own business, or to existing businesses; and
- The creation of training and employment opportunities by the provision of workspace, buildings, and/or land for use on favourable terms.

Structure, Governance and Management

The Trustees of the charity are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. The appointment, removal, power, and duties of the Trustees (who are also the Members) are set out in the SCIO constitution document. Trustees are appointed on the basis of their interest and experience in the charity's fields of operation and their understanding of our investment strategy. Induction is provided by the other Trustees and our professional advisors as appropriate. Further training is provided as and when required.

The Trustees serving during the period and up to the date of signing these financial statements were as follows:

Brian Peter Davidson (Chairperson)
Ian Robert Lusk Gibson
Andy Johnson-Creek (stepped down on 21 January 2025)
James Nicol

Financial Review and Performance

The Income and Expenditure Account is included within the Statement of Financial Activities on page 12 and shows the net movement in funds for the period.

The charity continued to receive a reasonable return on its investment portfolio in the form of dividends and interest on funds placed on short term deposit with investment income totalling £218,841 (2024: £173,044) for the period. During the period there was income from charitable activities of £nil (2024: £nil). Grants of £5,626,322 (2024: £146,108) were made to third parties via our facilitator Foundation Scotland in the period and as such an administrative fee of £39,377 (2024: £16,771) was paid to Foundation Scotland.

The charity incurred expenditure in the form of Investment Management fees of £36,384 (2024: £32,426), secretarial costs of £18,900 (2024: £12,600) and the auditor's fee of £9,104 (2024: £8,076). Other costs in the period of £6,747 (2024: £6,728) include Insurance and IT costs and consultancy costs.

REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 31 DECEMBER 2025

Financial Review and Performance (continued)

There was a net gain of £38,749 (2024: £317,842) on the Investments.

Our outcome for the period is a net negative movement in funds of £5,479,244 (2024: positive £268,177) which has been transferred to reserves.

The value of our Investment Portfolio at 31 December 2025 was £nil (2024: £4,815,417), with the portfolio being partly liquidated to fund grants made and the residual value transferred as part of the winding up process of the charity.

As at 31 December 2025, the charity's net assets were £nil (2024: £5,479,244). The Trustees have therefore, as planned, ceased all activities and will be seeking the de-registration of the charity by OSCR.

Charitable Achievements

As reported earlier, during the financial period grants of £5,626,322 (2024: £146,108) were made to third parties via our facilitator Foundation Scotland.

Our 2024/25 grant making was completed over four rounds which gave rise to grants being awarded in February 2025, May 2025 and August/September 2025. This consisted of one, micro-grants programme which distributed awards of up to £3,000 to our traditional smaller charity (annual income of less than £250,000) sector, and three "special awards" as follows:

- 8 multi-year awards of £250,000 to larger charities (annual income greater than £2m);
- 20 multi-year awards of £50,000 to mid-sized charities (annual income of between £250,000 and £2m); and
- 50 unrestricted single year awards of £10,000 to past recipients of micro-grants from the 100 plus organisations we have supported over the last 5 years.

The outcome of these rounds of grant making is that 99 grants (2024:29) were awarded across 24 Scottish local authorities (2024:16). All of this meant that a total of £5,583,306 (2024: £225,493) in grant awards was made, although £1,764,916 (2024: £79,385) of that will be paid out in 2026, 2027 and 2028 provided the conditions attached to the grants are met by those receiving the awards and as such this £1,764,916 (2024: £79,385) has not been recognised as a liability at the year end.

Although we continued with our emphasis on supporting smaller-scale entities and grassroots organizations within the community, we have also broadened our target organisations to include some of the larger national (Scottish based) charities focused on the areas that match our charitable objectives. This was a deliberate strategy as part of our plan to wind down the activities of the charity and was designed to maximise the impact the money we awarded can make at a time when Scottish charities are facing severe financial constraints; we are hopeful this money will secure the future of these organisations for the benefit in the future of Scotland's young people.

Charitable Achievements (continued)

Impact

The impact of this period's grant making is such that some 10,400 young people living in Scotland are projected to directly benefit from our grant-making activities.

Over the last 15 months, Foundation Scotland has continued to actively track how our grants are distributed across the Scottish Index of Multiple Deprivation (SIMD). Notably, a substantial proportion of our grants were allocated to regions ranking within the top 5% for multiple deprivations in Scotland. Additionally, some funding has been directed to areas falling within the top 1-2 percentiles, further targeting areas facing significant socio-economic challenges.

The intentional allocation of our grants, particularly to areas experiencing higher levels of deprivation, underscored our commitment to addressing socio-economic disparities and striving for inclusive development across the country.

In 2024 Foundation Scotland began categorizing all grants by stream classification. This identifies projects by the type of prevention they are attempting to deliver through activities and sorts them into upstream (before harm occurs), midstream (mitigating harm that has happened) and downstream interventions (actions to help cope with the harms).

Since Foundation Scotland introduced this categorisation we have sought to shift our grant making more towards the upstream end of the range. Our 2024/25 distribution of grants continued our clear shift towards supporting upstream and midstream interventions, with downstream support making up only a small fraction of the total funding.

By targeting prevention at its core (i.e. upstream), we aimed to enable communities to build resilience, reduce reliance on reactive measures, and achieve systemic change. Midstream funding complements this strategy by focusing on interventions that mitigate ongoing challenges, further strengthening the emphasis on prevention over cure. This focus highlights our strategic commitment to prevention and long-term impact.

We have continued to track the impact of our grant-making and to showcase our achievements through quarterly reports on our website. In addition, we have also tracked our impact using appropriate UN Sustainable Development Goals (SDGs) and each grant is characterised by a primary and secondary goal. The four goals that best fit our charitable objectives are Good Health & wellbeing; Quality Education; Reduced Inequalities; and Decent Work & Economic Growth.

The largest share of our 2024/25 grants is aligned with **Good Health & Wellbeing**, which accounts for nearly half of the total grants made. This supports our emphasis on improving health outcomes, addressing physical and mental health challenges, and ensuring well-being across diverse communities. **Quality Education** follows as the second most supported SDG, indicating our strong commitment to educational initiatives. Indeed, this targeting has seen us support several initiatives outside of the main Scottish cities and in particular on educational initiatives in rural communities where employment opportunities for young people are ever harder to find.

The future

As was reported last year, in May 2024 the Trustees undertook a refresh of our Future Strategy. We asked ourselves some very pointed questions about what we can achieve and how we might achieve it and concluded that we were very likely to remain a rather constrained organisation if we continued to undertake business as we had done since the reinvigoration of the charity back in 2020.

Accordingly, on 5 August 2024, we formally decided that the best course of action was to close the charity. We have done this through a managed distribution of some £3.8m of our assets and on 19 November 2025 we entered into an agreement with Foundation Scotland whereby they will manage the

ESSENTIA FOUNDATION SCIO

REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2025

Charitable Achievements (continued)

settlement of the grant awards of some £1,764,916 still subject to conditions originally attached to the award being met. We have pre-paid this sum to Foundation Scotland and it will manage the money for maximum benefit of the ongoing Legacy Fund (see later) and any funds not required, should the conditions attached to the grant not being met, will also revert to the Legacy Fund.

The second part of the agreement with Foundation Scotland, itself a charity with registration number SC022910, related to the creation of The Essentia Foundation Legacy Fund which will continue the work of awarding small grants to smaller charities who are active in areas that match our charitable objectives. To enable this activity we have paid over to Foundation Scotland's care and management some £1,397,578 of investments from our portfolio through an *in specie* transfer plus a further £587,828 of free cash. Foundation Scotland will manage this £1.9m and using the income it generates fund a small grants to smaller charities programme. Through this arrangement the Essentia Foundation values, vision and impact in support of young people across Scotland will continue for many years to come.

Subsequent events

There are no events subsequent to the preparation of this Annual Report and Financial Statements that require to be reported.

Future Plans

As already reported the Trustees are winding up the charity and will apply to OSCR to have the charity removed from the Register of Scottish Charities..

Investment Policy

The charity has the power to make any investment which the Trustees see fit, under the terms of the SCIO's constitution document. Our Investment Policy is based on a premise that we are prepared to invest a significant proportion of the portfolio in equities (between 70% and 85% by value of the portfolio) taking some risk in exchange for the potential for better returns and given our long-term time horizon in recognition that there may be high levels of volatility over the shorter term. As a charity which has a focus on the health and social welfare of children and young people as well as those who are unemployed, particularly those who are impacted by systemic unemployment due in particular to poor health outcomes as a consequence of lifestyle choices, we have decided to exclude from our portfolio direct investment in manufacturers and suppliers of, or entities that derive more than 10% of their income from, the following areas:

- Tobacco;
- Alcohol; and
- Gambling.

The Trustees also have concerns about the role of some debt advisory firms and their impact on vulnerable indebted individuals and have highlighted to the Investment Manager that this is an area to monitor and flag, should any such firms ever be considered for inclusion in the portfolio.

In addition, no direct investment is to be made in companies that have moderate, severe & very severe controversies related to child labour or human rights within its own operations or within its supply chain. Factors affecting this evaluation include, but are not limited to, a history of involvement in child labour/human right-related legal cases, widespread or egregious instances of child labour/human right transgressions, resistance to improved practices, and criticism by NGOs and/or other credible third-party observers.

Further, in looking at the transition to a lower carbon economy and society, the Trustees have stated their interest in positively investing in companies whose activities support that transition and note that this should form part of the investment approach of the Investment Manager.

Investment Policy (continued)

Following our decision to distribute some 70% of our assets in 2024, the Investment Policy was amended in November 2024 to de-risk it from geopolitical impacts and was split into two parts – 30% reshaped into a go forward medium risk portfolio and 70% into highly liquid short term investments to enable us to fund the planned 2025 distributions.

Risk Management

The Trustees formally review the charity's activities at each pre-scheduled quarterly meeting. Potential risks are reviewed in detail and an appropriate balance between mitigating against undue risk and sustaining our charitable purpose is arrived at.

Reserves Policy

The charity has no restricted reserves at the period end due to being wound up. Our Reserves Policy set out the methodology by which we recorded and tracked the Unrestricted Reserves over the period 1 October 2023 to 31 December 2025 as follows:

Designated Reserve – being the seed funds granted to the Foundation by its predecessor organisation and invested in the Investment Portfolio, plus any sums transferred into the reserve from the Revaluation Reserve to protect the value of the Investment Portfolio from the effects of inflation as measured by the Consumer Prices Index (CPI). Transfers into the Designated Reserve will generally take place once a year at the end of the financial year.

Revaluation Reserve – being the difference between the value of the Investment Portfolio (excluding any cash sums held in the portfolio), and the sum held in the Designated Reserve. The aggregate of the Designated Reserve and the Revaluation Reserve should always match the value of the Investment Portfolio (excluding any cash held within the portfolio).

General Reserve – being the accumulated net incomes and/or expenditures realised over the life of the Foundation.

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**REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 31 DECEMBER 2025**

Going Concern

These are the final set of financial statements of the charity. Accordingly, the financial statements have been prepared on a basis other than going concern.

Legal and administrative information

Charity number
SC050660

Registered Address
c/o Brodies LLP
110 Queen Street
Glasgow, G1 3BX

Auditor
Azets Audit Services
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew, PA4 8WF

Bankers
CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Investment Manager
Rathbones
50 George Square
Glasgow
G2 1EH

Solicitors
Brodies
110 Queen Street
Glasgow, G1 3BX

ESSENTIA FOUNDATION SCIO

**REPORT OF THE TRUSTEES
FOR THE PERIOD ENDED 31 DECEMBER 2025**

Statement of the Trustees' Responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial period. Under that law the Trustees have elected to prepare the financial statements in accordance with 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). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the net movement in funds of the charity for that period. In preparing these financial statements, the Trustees are required to:

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

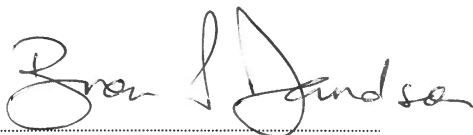
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are Trustees at the time this report is approved:

- So far as each Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- He/she have taken all the steps that he/she ought to have taken in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

By Order of the Trustees



Brian Peter Davidson
Trustee and Chairperson

Dated: 9 April 2026

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ESSENTIA FOUNDATION SCIO
FOR THE PERIOD ENDED 31 DECEMBER 2025**

Opinion

We have audited the financial statements of Essentia Foundation SCIO (the 'charity') for the period ended 31 December 2025 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet and the notes to the financial statements, including 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 31 December 2025 and of its income and expenditure for the period 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 and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our 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.

Emphasis of matter- Financial Statements prepared on a basis other than going concern

We draw attention to the going concern accounting policy included within note 2 of the financial statements, which explains that these are the final set of financial statements, as the charity was wound up at 31 December 2025. Accordingly, the financial statements have been prepared on a basis other than going concern. Our opinion is not modified in respect of this matter.

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 in the Annual Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ESSENTIA FOUNDATION SCIO
FOR THE PERIOD ENDED 31 DECEMBER 2025**

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Statement of the Trustees' Responsibilities [as set out on page 7], 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 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

ESSENTIA FOUNDATION SCIO

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ESSENTIA FOUNDATION SCIO FOR THE PERIOD ENDED 31 DECEMBER 2025

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the charity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the charity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- we ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with the Trustees, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and taxation, data protection, anti-bribery, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the Trustees and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of the Trustees as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the charity's legal advisors.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of the Trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ESSENTIA FOUNDATION SCIO
FOR THE PERIOD ENDED 31 DECEMBER 2025

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

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's Trustees, as a body, 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.

Azets Audit Services

Azets Audit Services
Statutory Auditor
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 9 April 2026

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

ESSENTIA FOUNDATION SCIO

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 DECEMBER 2025

	Notes	Unrestricted Period ended 31 December 2025 £	Unrestricted Year ended 30 September 2024 £
Income			
Investment income	4	218,841	173,044
Charitable activities	5	-	-
Total income		<u>218,841</u>	<u>173,044</u>
Expenditure on			
Charitable activities	6	(5,736,834)	(222,709)
Total expenditure		<u>(5,736,834)</u>	<u>(222,709)</u>
Net expenditure		(5,517,993)	(49,665)
Net gain on investments	9	38,749	317,842
Net movement in funds		(5,479,244)	268,177
Total funds brought forward		<u>5,479,244</u>	<u>5,211,067</u>
Total funds carried forward		<u>-</u>	<u>5,479,244</u>

The Statement of Financial Activities includes all recognised gains and losses in the current period and previous year.

All activities are continuing during both periods.

All funds are deemed to be unrestricted.

The notes form part of these financial statements.

ESSENTIA FOUNDATION SCIO

BALANCE SHEET
AS AT 31 DECEMBER 2025

	Notes	As at 31 December 2025		As at 30 September 2024	
		£	£	£	£
Fixed assets					
Investments	9		-		4,815,417
Current assets					
Cash and cash equivalents	10		-		685,204
Debtors	11		-		433
					<u>685,637</u>
Creditors: Amounts falling due within one period	12		-		<u>(21,810)</u>
Net current assets			-		<u>663,827</u>
Net assets	13		-		<u><u>5,479,244</u></u>
Unrestricted reserves					
General reserve	14		-		663,827
Designated reserve	14		-		4,736,714
Revaluation reserve	14		-		78,703
					<u><u>5,479,244</u></u>

The financial statements were approved and authorised for issue by the Trustees on 9 April 2026 and were signed on their behalf by:



Brian Peter Davidson
Trustee and Chairperson

Scottish Charity number: SC050660

The notes form part of these financial statements.

ESSENTIA FOUNDATION SCIO

NOTES ON THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2025

1. General information

Essentia Foundation SCIO's main purpose is the promotion of the health and social welfare of children and young people, and the promotion for the benefit of the public of urban or rural regeneration in areas of social and economic deprivation in Scotland by all or any of the following means:

- The advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience;
- The provision of financial assistance, technical assistance or business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help in setting up their own business, or to existing businesses; and
- The creation of training and employment opportunities by the provision of workspace, buildings, and/or land for use on favourable terms.

Essentia Foundation SCIO (SC050660) was registered with OSCR on 8 January 2023 and was established to replace Essentia Foundation (SC036563) which was an unincorporated trust. On 8 January 2023, the assets and liabilities of Essentia Foundation were transferred over to Essentia Foundation SCIO. Essentia Foundation has ceased to be registered as a charity with OSCR on 27 October 2023.

The charity was incorporated in Scotland and has its registered office at:
c/o Brodies LLP
110 Queen Street
Glasgow
G1 3BX

The charity is defined as a public benefit entity and thus complies with all disclosure requirements relating to public benefit entities. The registered charity number is SC050660, and it is registered with the Office of the Scottish Charity Regulator (OSCR).

The financial statements are prepared in Pounds Sterling (GBP) as that is the currency in which the charity's transactions are denominated. These financial statements represent the results of the charity for the period ended 31 December 2025.

2. Accounting policies

The financial statements have been prepared under the historical cost convention, subject to the revaluation of certain assets, and in accordance with 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), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The preparation of financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

NOTES ON THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2025

2. Accounting policies (continued)

Going Concern

These are the charity's final period of financial statements as it was wound up at 31 December 2025. Accordingly, the financial statements have been prepared on a basis other than going concern.

Investment income

Investment income is recognised on an accruals basis.

Expenditure

Expenditure is recognised on an accruals basis.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its charitable activities and services.
- Support costs include administration costs as well as the auditor's fee.

Grants

Grants are issued to further the charity's main purpose of promoting the health and social welfare of children and young people, and the promotion for the benefit of the public of urban or rural regeneration in areas of social and economic deprivation in Scotland.

The award of a grant is recognised as a liability only when the criteria for a constructive obligation is met, payment is probable, it can be measured reliably, and there are no remaining conditions attached to its payment that limit its recognition.

Where a grant commitment is payable over a period of more than one year, a liability must be recognised for the full amount of the constructive obligation unless conditions apply to payments falling due after the reporting date. Where payments for later years are subject to performance-related conditions, the donor charity may be able to legitimately withdraw from its commitment if a particular condition attaching to the grant is not met.

Where a condition remains within the control of the donor charity, then the donor charity retains the discretion to avoid the expenditure and therefore a liability must not be recognised. For example, where a commitment is made to provide grant funding over a number of years, future payments may be subject to a review by the donor charity which gives it discretion to terminate the funding agreement. Provided the review condition has been communicated to the recipient as part of the funding agreement and the review has substance, then a constructive liability is unlikely to arise for payments relating to periods subsequent to the review date.

Alternatively, when there is no condition attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full funding obligation must be recognised.

NOTES ON THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2025

2. Accounting policies (continued)

Investments

Investments are held at market value. All investments are in listed shares or treasury bonds. Gains/losses are included in the SOFA in the period to which they relate. All investments were transferred at the period end.

Debtors

Accrued income is recognised at the settlement amount due.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Creditors 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 are normally recognised at their settlement amount.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at the transaction value and subsequently measured at their settlement value.

Statement of Cash Flows

The financial statements do not include a Statement of Cash Flows because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Charity SORP.

Reserves policy

The Trustees have approved a Reserves Policy by which to record and track Unrestricted Reserves as follows:

Designated Reserve – being the seed funds granted to the Foundation by its predecessor organisation and invested in the Investment Portfolio, plus any sums transferred into the reserve from the Revaluation reserve to protect the value of the Investment Portfolio from the effects of inflation as measured by the Consumer Prices Index (CPI).

Revaluation Reserve – being the difference between the value of the Investment Portfolio (excluding any cash sums held in the portfolio), and the sum held in the Designated Reserve. The aggregate of the Designated Reserve and the Revaluation Reserve should always match the value of the Investment Portfolio (excluding any cash held within the portfolio).

General Reserve – being the accumulated net income and/or expenditure realised over the life of the Foundation.

NOTES ON THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2025

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. The Trustees are satisfied that the accounting policies are appropriate and applied consistently.

Key Sources of estimation Uncertainty

Assumptions and estimates used in the valuation of investments represent a significant risk of causing material adjustment to the carrying amount of assets. Investments are valued at market value based on reports provided by reputable third-party investment managers.

		2025	2024
4. Investment income		£	£
Investment income		216,990	171,975
Bank interest		1,851	1,069
		<u>218,841</u>	<u>173,044</u>
		<u><u>218,841</u></u>	<u><u>173,044</u></u>
		2025	2024
5. Charitable activities - income		£	£
Donations		-	-
Other Income		-	-
		<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>
		2025	2024
6. Charitable activities - expenditure		£	£
Grants awarded		5,626,322	146,108
Support costs (note 7)		110,512	76,601
		<u>5,736,834</u>	<u>222,709</u>
		<u><u>5,736,834</u></u>	<u><u>222,709</u></u>

NOTES ON THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2025

	2025	2024
	£	£
7. Support costs		
Investment management fees	36,384	32,426
Secretarial costs	18,900	12,600
Audit fee (including VAT)	9,104	8,076
Foundation Scotland administration	39,377	16,771
Legal costs	1,850	-
Consultancy fees	-	2,250
Insurance	286	474
IT including website costs	3,516	3,009
Admin costs	-	-
Other costs	957	907
Bank charges	138	88
	<u>110,512</u>	<u>76,601</u>

The support costs relate solely to the charity's charitable activities.

The actual audit fee for the 2025 financial statements excluding VAT was £7,580 (2024: £6,650).

8. Related Party transactions

None of the Trustees were remunerated during the period (2024: none). Expenses of £926 were reimbursed in the period (2024: £1,170). There are no employees (2024: none).

	2025	2024
	£	£
9. Investments		
Opening market value	5,440,392	5,175,776
Investment income	216,990	171,975
Management fee and charges*	(44,634)	(32,176)
Transfer to cash at bank	(140,000)	(193,025)
Payments to Foundation Scotland	(4,113,919)	-
Net gain on investments	38,749	317,842
Transfer of shares to Foundation Scotland	(1,397,578)	-
	<u>-</u>	<u>5,440,392</u>
Closing market value	-	5,440,392

*The investment management fees and charges disclosed above vary from the figures in note 7 as a result of the movement in accruals.

	2025	2024
	£	£
Investments	-	4,815,417
Cash (note 10)	-	624,975
	<u>-</u>	<u>5,440,392</u>

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NOTES ON THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2025

	2025	2024
9. Investments (continued)		
<u>Portfolio of investments (excluding cash)</u>	£	£
Opening market value	4,815,417	5,008,852
Acquisitions	784,127	1,874,407
Disposal	(4,240,716)	(2,385,684)
Gain on investments	38,749	317,842
Transfers to Foundation Scotland	(1,397,578)	-
Closing market value	-	4,815,417
	<u>2025</u>	<u>2024</u>
	£	£
10. Cash and cash equivalents		
Cash held at bank	-	60,229
Cash held within the investment portfolio (note 9)	-	624,975
	-	685,204
	<u>2025</u>	<u>2024</u>
	£	£
11. Debtors		
Other debtors	-	433
	-	433
	<u>2025</u>	<u>2024</u>
	£	£
12. Creditors: Amounts falling due within one period		
Accruals and deferred income	-	21,810
	<u>2025</u>	<u>2024</u>
	£	£
13. Net funds		
	2025	2024
	£	£
At 1 October 2024	5,479,244	5,211,067
Total income	218,841	173,044
Total expenditure	(5,736,834)	(222,709)
Net gain on investments	38,749	317,842
	-	5,479,244
The net funds are represented by:		
Investments	-	4,815,417
Current assets	-	685,637
Current liabilities	-	(21,810)
	-	5,479,244

NOTES ON THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2025

14. Unrestricted reserves

As detailed in the reserves accounting policy, the Trustees' had established a reserves policy where the net assets of the charity are allocated between a designated reserve, a revaluation reserve and the general reserve.

Designated Reserve – being the seed funds granted to the Foundation by its predecessor organisation and invested in the Investment Portfolio, plus any sums transferred into the reserve from the Revaluation reserve to protect the value of the Investment Portfolio from the effects of inflation as measured by the Consumer Prices Index (CPI).

Revaluation Reserve – being the difference between the value of the Investment Portfolio (excluding any cash sums held in the portfolio), and the sum held in the Designated Reserve. The aggregate of the Designated Reserve and the Revaluation Reserve should always match the value of the Investment Portfolio (excluding any cash held within the portfolio).

General Reserve – being the accumulated net incomes and/or expenditure realised over the life of the Foundation.

On adoption of this policy in October 2020, a transfer was made from the general reserve to the designated reserve and the revaluation reserve.

	General reserve £	Designated reserve £	Revaluation reserve £	Total £
As at 1 October 2023	202,215	4,657,536	351,316	5,211,067
Net movement in funds	268,177	-	-	268,177
Transfers in the period	193,435	79,178	(272,613)	-
As at 30 September 2024	<u>663,827</u>	<u>4,736,714</u>	<u>78,703</u>	<u>5,479,244</u>
As at 1 October 2024	663,827	4,736,714	78,703	5,479,244
Net movement in funds	(663,827)	(4,736,714)	(78,703)	(5,479,244)
Transfers	-	-	-	-
As at 31 December 2025	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

15. Grants

During the year one grant application round sought multi-year projects to fund. Grant commitments were made over a period of three years, but payment of years two and three remain conditional and could if warranted be withdrawn completely. If future conditions are met, then grants of the following sums will be met through Foundation Scotland:

	2025 £	2024 £
Due within one year	1,143,293	50,213
Due greater than one year	621,624	29,172