

REGISTERED COMPANY NUMBER: 08066785 (England and Wales)
REGISTERED CHARITY NUMBER: 01152605

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017
FOR

EARLY INTERVENTION FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

EARLY INTERVENTION FOUNDATION

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FOR THE YEAR ENDED 31ST MARCH 2017

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EARLY INTERVENTION FOUNDATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST MARCH 2017**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2017. The trustees have adopted the provisions of 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 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity is established for the public benefit to:-

- Advance education;
- Promote health; and
- Relieve poverty

through, in particular, disseminating evidence concerning best practices in early interventions to improve social and emotional capabilities of babies, children and young people in these fields.

Public benefit

In shaping our objectives and planning our activities for the year, the Trustees have given consideration to the duties set out in section 17 (5) of the Charities Act 2011 to have due regard to public benefit and to the Charity Commission Guidance on public benefit. In particular, the Trustees have considered how the planned activities will contribute to the overall aims and objectives that they have set.

The Trustees believe that the paragraphs, specifically on the "Objectives" and "Achievements and Performance" for the year, relate in detail the benefit that the charity provides to the public.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Our fourth year of operation marked the transition from our start-up phase. We undertook a series of evidence reviews on major issues that shape children's opportunities and outcomes and we tested out new ways of disseminating this evidence to influence those commissioning and delivering services for families and children. At the same time, we made substantial progress in improving our organisational systems and building the sustainability of EIF into the future.

Notable successes included the publication of Foundations for Life (FFL), our ground-breaking review of 75 programmes that aim to improve child outcomes through supporting positive parent-child interactions from conception to age 5. This has embedded our approach to programme assessment and enabled EIF to develop a methodology to assess the costs of such programmes on a relative scale. The FFL report was the cornerstone of a range of other activities, including a substantial programme of national dissemination reaching three quarters of local authorities, a cost-benefit analysis on the impact of parental conflict on child outcomes and a series of discrete reports to support key policy areas such as advice for Troubled Families Co-ordinators on effective parenting programmes and guidance for the DCMS's Life Chances Outcomes Fund. FFL has been well received by local government and sector leaders and was endorsed by ADCS, the Chief Social Worker and others.

"This review from EIF is exactly what we need ... This is a crucial step forward for public services. I hope it will inform our collective thinking about how we build both the evidence base and the knowledge and skills needed across the children's workforce."

Isabelle Trowler, Chief Social Worker for Children and Families

Alongside this, we embarked on a major programme of work related to Social and Emotional Skills and Interparental Relationships, focused on children with signals of risk. We also invested significantly in the re-development of our online Guidebook of programmes, which went live in March 2017. It is an easy to use resource for policy makers, local area practitioners, commissioners, voluntary sector providers on 'What Works' to support children and families. The Guidebook, now including only programmes assessed in house by EIF (totaling 51 programmes), includes new features such as the relative cost of programmes and advice on delivery. Over 130 (out of 152) Local Authorities in England have used the Guidebook; visits have been recorded from some 700 different locations across the UK and there have been around 35,000 visits.

We completed further work on Family Relationships, focusing on the couple relationship (whether intact or separated) which has a substantive impact on the quality of parenting that children experience and their long term mental health and other outcomes. We have built on our first report on Interparental Relationships written with Professor Gordon Harold (Sussex University) published in March 2016. This has included a focus on poverty and economic stress and the nature of service availability for families in or at risk of poverty as part of our partnership with the Joseph Rowntree Foundation. We have disseminated EIF's evidence with 'Local Family Offer' areas who are embedding approaches to tackle conflict between parents in their service provision to improve outcomes for children. The review and follow up work has had a significant impact on DWP policy, whose Improving Lives policy paper includes a series of commitments based on EIF evidence including plans to commission £15m of evidence-based, targeted support - for the families of the most disadvantaged children.

"EIF's report on inter-parental relationships is] breaking ground in new areas. My guess is that for many, the idea that we can be scientific and objective about this sort of work will be a revelation."

Sir Kevan Collins, Chief Executive, Education Endowment Foundation

EIF has worked closely with police leaders who have been testing out new approaches to addressing the drivers of crime through early intervention. The Early Intervention Academy of Police Leaders drew together police forces from across England and Wales to participate in a series of master-classes to inform practical plans to reshape services.

"This academy, over a few short sessions, has managed to galvanise a disparate group in a way that I have never experienced in 25 years of policing, despite numerous investments in my training and development. Masterclasses delivered by some of the best-informed people nationally have energised and motivated the group to fundamentally change local approaches."

David Houchin, Superintendent, Humberside Police

EARLY INTERVENTION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2017

ACHIEVEMENT AND PERFORMANCE

Charitable activities

A key objective of our 5-year strategy is to create a sustainable organisation. Whilst this is a continually evolving process, we made good progress in 2016/17, notably through the reduction in the amount of reserves/start-up funding we had anticipated using through the generation of income to support the delivery of our work through the year; the development of intellectual assets that are paying dividends both in terms of funding and the positioning of the organisation; the effective stewardship of key government funders and further successful bids to Trusts & Foundations. Our relationship with government departments (DfE, DWP, DCLG and PHE) has been more firmly secured with a further year of funding and a commitment to funding EIF over 2-3 years. We are in the process of drawing up a funding arrangement with DfE for this financial year. Following the General Election, we anticipate that we will have a funding base of around £1m per annum for the coming 2-3 years.

We have also developed improved internal processes around project management, project budgeting and understanding of staff utilisation, as well as a corollary improvement in financial management and future planning.

The work we have undertaken in 2016/17 would not have been possible without the support of our funders. We would like to extend our thanks to the following organisations for their support:

Department of Education
Department of Health
Department for Work and Pensions
Department of Health
Joseph Rowntree Foundation
Public Health England
Local Government Association
Home Office
Battersea Power Station Foundation
West Yorkshire Police
ESRC
White & Case LLP
Allen & Overy LLP

Finally, the achievement outlined rests on many talents and skills of the EIF team. We would like to pay tribute to their commitment and hard work throughout the year.

EARLY INTERVENTION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2017

FINANCIAL REVIEW

Financial position

The results for the year show a net movement of funds of £978,500. This reflects an underlying operational deficit of £33,116 as well as the transfer of £1,011,616, being the residual sum of the EIF Establishment and Sustainability Grant that was made in 2013, into operational income. In prior years, this funding, provided by the Department of Education, had been shown as being deferred. It was agreed by Trustees that that the activities associated with the original EIF Establishment and Sustainability Grant had been completed and so recognising the residual funding as income is deemed appropriate. For the sum to remain as a creditor would have been misleading.

Whilst the underlying operational deficit of £33,116 is just that, Trustees are pleased with progress that the charity has made towards sustainability. Accounts during recent years have shown a monthly release of a portion of the original EIF Establishment and Sustainability Grant as income, in accordance with a schedule previously agreed by Trustees. During this year, the Trustees re-considered the position in relation to this funding and ceased this action, instead releasing the full amount of remaining funding into income, as it was considered that the activities for which the funding had been provided had been completed (as noted above). This has resulted in a much clearer picture of sustainability of the underlying business.

The organisation successfully raised in excess of £1.3m to support its work throughout the year. Notably, just under 40% (excluding gift-in-kind) of this was generated from 'non-Whitehall' sources, which is important as the organisation strives to achieve a blend in its funding. Not recognised with these accounts is pro-bono support valued at £40,030 from White & Case LLP (£28,135) and Allen & Overy LLP (£11,895) for a variety of legal services provided in the year. Trustees would like to express their thanks to both firms for their ongoing support.

Expenditure totalled £1,349,267. Of this, £300,777 was on direct project costs. The remaining £1,048,490 related to organisational costs, including staff and running costs. Whilst this represents an increase on prior year, Trustees are comfortable that this increase is commensurate with an increase in funding, and so activity, that support the fulfilment of our strategic aims and objectives. The organisation has, throughout the year, developed rigorous systems for monitoring expenditure.

The movement of the residual EIF Establishment and Sustainability Grant has inflated the charity's general reserve to £1.823m, an amount that is substantially in excess of the existing Reserves Policy. As such Trustees have agreed that it is appropriate to attempt to reduce the balance of the general reserve and have taken the decision to designate £750,000 in a Special Projects Fund. This fund will support work that furthers our strategic aims and objectives. It is the aim of the Trustees to spend down the fund by March 2021 and progress on its application will be reported annually.

Reserves policy

The Trustees have in the year reviewed the needs, risk and opportunities faced by the charity, along with relevant financial forecasts and analyses. On the basis of this review, the Trustees recognise the need to hold a general reserve and the size of this reserve should be related to the level of ongoing financial commitments. The Trustees agreed that the general reserve should equate to at least six months' running costs, At the time of writing the general reserve stands at £1.073m (after accounting for the designated fund referred to above), which equates to approximately nine months running costs.

EARLY INTERVENTION FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2017

FUTURE PLANS

Our work in 2017/18 will, as in the previous year be structured in accordance with the approach set in our five-year strategy.

Activities will focus on generating new evidence, effectively disseminating that new evidence and driving adoption. Our work will fall into four strategic: (1) Early Years (2) Mental Health and Wellbeing (3) Interparental Relationships and (4) Vulnerability. The focus on children with signals of risk, multi-agency and whole family responses, and savings is reflected within these themes.

These themes are directly relevant to some of the major challenges faced by government and society as a whole and of particular interest to the issues of social justice, social mobility, mental health and tackling vulnerability to abuse and exploitation.

What Works

As a What Works Centre we will undertake ongoing activity to ensure public benefit from our work. The 2017/18 grant from the Department for the Education, for the first time, explicitly funds key What Works infrastructure activity.

Guidebook: we will be updating and maintaining the Guidebook of programmes, including assessing an additional 20 programmes, which aim to improve children's outcomes, particularly those at high risk.

Places Network: we will continue to run the EIF places network in 2017 to ensure our work is rooted in local experience and as a dissemination channel. This involves bi-annual events, a regular email newsfeed to share latest EIF evidence and news and provides a way to recruit sites for projects and events.

Stakeholder Engagement Work: we will systematise our engagement with key stakeholders around our 4 themes of work to ensure our messages reach intended audiences and to enable us to develop new opportunities. This will include building and maintaining relationships with senior sector leaders, civil servants, ensuring EIF is represented at key national events.

Evaluation Offer: one of our core objectives is to build the evidence base on effective early intervention. We want to support local areas, developers and Providers to design and commission or conduct high-quality evaluations of their approaches and interventions. Over the coming year we will develop an offer in this space and consider the best method to fund ongoing support activity.

EIF's own impact: as a What Works organisation, it is critical that we track our own effectiveness and impact. We will use a range of measures to capture the reach of our outputs/resources to key audiences, key audience understanding of evidence and impact on behaviour change and decision making both locally and nationally.

Early Years

The early years is a vital period in which to shape children's development. Our work on signals of risk for children in the early years will enable us to build on our evidence on key points for intervention in the early years. We aim to develop a framework that will allow commissioners and frontline practitioners to identify the most important risks at different stages of children's development and access clear information about how these can be responded to through programmes EIF have found to be effective.

We will expand our work beyond parent-child interaction to look at the effectiveness of early years' settings and practice. We will run an 'Early Years Transformation Academy' working with a small number of multi-agency teams responsible for commissioning early years system in specific areas to support them to apply evidence on parenting and relationship support to local commissioning plans. It is anticipated that this will run over two years and could incorporate the work on early years' settings as well.

We will support the development and delivery of the social mobility goals through improving the Home Learning Environment with a particular focus on language and communication, as well as supporting the evaluation of Opportunity Areas.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2017

Mental Health and Wellbeing (SEL)

This important set of skills developed within and outside school settings influence not only cognitive outcomes, but also employability, mental and physical health and criminality. EIF's 2014 review has helped catalyse a strong interest in this territory, which has now been taken on by the Education Endowment Foundation (EEF) and by the proposal for a new Essential Life Skills Centre in the DfE. The aim of this virtual centre is to strengthen the evidence base around what works to improve children's non-cognitive skills, which we will play a key role in.

Our JRF funded work in 2017 will enable us to disseminate our work on mental health and wellbeing in order to reach local authorities, the school and youth sector to enhance the commissioning and take up of interventions. We will carry out targeted dissemination through a range of media, developing a web presence on this work and will look to partner with organisations with reach into the schools sector.

Our ongoing work funded through Battersea Power Station Trust will enable us to support the adoption of EIF evidence, working with a small number of primary schools to commission or re-commission social and emotional skills and family support programmes to prevent gang and youth violence in line with EIF evidence.

Interparental Relationships

We will undertake a national dissemination programme involving stakeholder mapping, events and briefing documents to make the case for and support increased action to tackle parental conflict. We will build a 'what works to support interparental relationships repository' on the EIF website in collaboration with academic experts, which brings together resources for local areas accessibly in a single place. We will undertake further cost benefit analysis which estimates the costs of poor inter parental relationships and the potential benefits of programmes.

Vulnerability

We are continuing to develop work on early intervention in policing. We will continue to run network events for our cohort of police leaders. We are entering the second year of work with West Yorkshire Police (WYP) and will develop a new early intervention strategy for the force. This includes working with WYP and their partners in 5 local authorities to develop new approaches to tackle shared drivers of demand (e.g mental health, youth anti-social behaviour).

A final priority area is to review practice literature and other relevant evidence to establish what is known about what is most effective in early help practice and direct work with families.

Wider Early Intervention Systems

Our work on early intervention multi agency systems has highlighted the lack of evidence about the impact of many of the models currently being used. Evaluation of complex systems is something that many local areas struggle and want help and technical assistance with. We want to continue to develop our work on this area by working on the evaluation design and metrics to support local evaluation and testing of the impact of these models.

Building a sustainable organisation

In 2017/18 we will both consolidate and further improve our organisational infrastructure and systems, and continue to develop new sources of funding to support our work.

In 2016/17 we developed systems and infrastructure around project planning, budgeting and reporting and it is critical that these systems are maintained. They allow us to understand progress towards the delivery of work, they help us to manage funder relations and they provide us with the data that support our financial management and planning. We plan to supplement our project planning/management systems with the adoption of a Customer Relationship Management system, which we aim to implement through the summer of 2017. Alongside supporting project management, this will also help us capture important business intelligence and so improve the stewardship of both existing and potential funders and customers. In addition to this, we plan to invest in our HR management system and staff training (including short term secondments) as part of our objective of developing and maintaining a group of committed staff.

We also need to keep an ongoing focus on spotting funding opportunities and the development of new funding streams. As part of our planning around staffing, we have built in additional capacity, particularly at Senior Manager level, to support the development of propositions. Our experience from 2016/17 was that one of the major impediments to exploiting opportunities was the capacity to respond.

EARLY INTERVENTION FOUNDATION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST MARCH 2017**

Linked to the opportunities identified above, we will also continue to focus on developing strong relationships with key individuals in government departments, so embedding EIF as a key partner for government in the evolving policy agenda. Trusts & Foundations also provide an opportunity area for EIF and we have been encouraged by successes we have had in 2016/17. There are a range of international foundations that we have not yet engaged with that provide the potential for wider collaborations for EIF. We will develop our work in this territory in 2017/18 as one important source of diversifying our income streams.

Grants and Contracts from Non-Whitehall public bodies remains an area of potential. Whilst we have undertaken discrete commissions, we have not developed a comprehensive offer for, in particular, local authorities. In relation to the Police, we have seen encouraging signs that the Leadership Academy that we ran in 2015/16, which we will maintain through a lighter-touch network, could generate further opportunities.

The proposed stakeholders survey will include an analysis of EIF's place in the market place and the opportunities in relation to Non-Whitehall public bodies. We will develop options for consideration through the summer of 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The Trustees (who are the Directors of the company for Companies Act purposes) are elected by the company's members at the Annual General Meeting. The Trustees have the power to appoint to fill casual vacancies. New Trustees can be nominated by any Trustee.

Organisational structure

The day-to-day running of the organisation is delegated to staff under the leadership of the Chief Executive, Carey Oppenheim. The Board of Trustees meet on a bi-monthly basis primarily to discuss issues of strategic direction both in relation to the running of the Organisation and the research priorities. They therefore approve an annual strategic plan and budget before the start of the year and then monitor progress against the plan during the year.

Members' Guarantee

The Charity has no share capital but instead is limited by guarantee, each member being committed to contribute a maximum of £1 in the event of a winding up.

Induction and training of new trustees

Trustees are given an in-depth introduction to the organisation and the role of Trustee through meetings with other Trustees (including the Chair) and meetings with staff (including the Chief Executive). New Trustees are also given relevant documentation including recent research, meeting minutes and annual reports.

Risk management

During the year the Trustees continued to develop and refine their risk management strategy, which comprises:

- An annual review of the major risks to which the Charity is exposed;
- The establishment of systems and procedures to mitigate those risks;
- The implementation of procedures designed to minimise any potential impact on the Charity should any of those risks materialise.

The most significant external risk faced by the Charity is the potential volatility of funding. This is being addressed through the reserves policy and through the diversification of income sources both in terms of sector and activity (to reduce reliance on restricted research income). Internal risks have been minimised by the strengthening of senior management, financial controls and the research quality assurance process. These procedures are periodically reviewed to ensure that they still meet the needs of the Charity.

EARLY INTERVENTION FOUNDATION

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Transparency on Executive Pay

The highest paid employee at EIF is the Chief Executive, Carey Oppenheim, who was paid a salary of £90,000 this year. We are pleased to report that we perform well against sector benchmarks on wage differentials:

Our Chief Executive pay to median pay is: 2.4:1
Our Chief Executive pay to lowest pay is: 4.1:1

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
08066785 (England and Wales)

Registered Charity number
01152605

Registered office
10 Salamanca Place
London
SE1 7HB

Trustees

Ms C A Davies CBE
Ms J E O Gross CBE
Mr C M Jones
Professor Sir M G Marmot - resigned 14/8/2016
Ms H M Rhodes OBE
Mr R J Shostak CBE
Mr D Simmonds CBE
Dame O C Tickell DBE
Mr J Hayman
Mr C J M Hardie CBE

Company Secretary
Ms H M Rhodes OBE

Senior Statutory Auditor
John Thacker FCA DChA

Auditors

Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

EARLY INTERVENTION FOUNDATION

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2017

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

HSBC Bank plc
Canary Wharf Commercial Centre
Level 33, 8 Canada Square
London
E14 5HQ

Nationwide Building Society
PO Box 3
5 - 11 St Georges Street
Douglas
Isle of Man
IM99 1AS

WORKING NAME

EIF

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Early Intervention Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Chariot House Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 17/07/2017 and signed on its behalf by:

.....
Mr C J M Hardie CBE - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EARLY INTERVENTION FOUNDATION**

We have audited the financial statements of Early Intervention Foundation for the year ended 31st March 2017 on pages twelve to twenty three. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page nine, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2017 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EARLY INTERVENTION FOUNDATION**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.



John Thacker FCA DChA (Senior Statutory Auditor)
for and on behalf of Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
East Sussex
BN2 9QA

Date: 24 July 2017

EARLY INTERVENTION FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2017

				year ended 31/3/17	period 1/7/15 to 31/3/16
	Not es	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,067,492	175,100	2,242,592	1,467,724
Charitable activities					
Charitable activities		72,249	-	72,249	83,839
Other trading activities	3	-	-	-	25,000
Investment income	4	12,926	-	12,926	5,511
Total		2,152,667	175,100	2,327,767	1,582,074
EXPENDITURE ON					
Charitable activities					
Charitable activities		<u>1,174,167</u>	<u>175,100</u>	<u>1,349,267</u>	<u>978,673</u>
NET INCOME/(EXPENDITURE)		978,500	-	978,500	603,401
Transfers between funds	12	<u>161,166</u>	<u>(161,166)</u>	<u>-</u>	<u>-</u>
Net movement in funds		1,139,666	(161,166)	978,500	603,401
RECONCILIATION OF FUNDS					
Total funds brought forward		682,968	161,166	844,134	240,733
TOTAL FUNDS CARRIED FORWARD		<u>1,822,634</u>	<u>-</u>	<u>1,822,634</u>	<u>844,134</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

EARLY INTERVENTION FOUNDATION (REGISTERED NUMBER: 08066785)

**BALANCE SHEET
AT 31ST MARCH 2017**

	Not es	Unrestricted funds £	Restricted funds £	Total 2017 funds £	Total 2016 funds £
FIXED ASSETS					
Tangible assets	9	-	-	-	393
CURRENT ASSETS					
Debtors	10	301,150	-	301,150	288,258
Cash at bank		<u>1,942,630</u>	<u>-</u>	<u>1,942,630</u>	<u>1,775,783</u>
		2,243,780	-	2,243,780	2,064,041
CREDITORS					
Amounts falling due within one year	11	(421,146)	-	(421,146)	(1,220,300)
NET CURRENT ASSETS		<u>1,822,634</u>	<u>-</u>	<u>1,822,634</u>	<u>843,741</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,822,634</u>	<u>-</u>	<u>1,822,634</u>	<u>844,134</u>
NET ASSETS		<u>1,822,634</u>	<u>-</u>	<u>1,822,634</u>	<u>844,134</u>
FUNDS	12				
Unrestricted funds				1,822,634	682,968
Restricted funds				<u>-</u>	<u>161,166</u>
TOTAL FUNDS				<u>1,822,634</u>	<u>844,134</u>

The financial statements were approved by the Board of Trustees on 17/07/2017 and were signed on its behalf by:


.....
Mr C J M Hardie CBE-Trustee

The notes form part of these financial statements

EARLY INTERVENTION FOUNDATION

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2017

	Notes	year ended 31/3/17 £	period 1/7/15 to 31/3/16 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>153,921</u>	<u>1,013,977</u>
Net cash provided by (used in) operating activities		<u>153,921</u>	<u>1,013,977</u>
Cash flows from investing activities:			
Interest received		<u>12,926</u>	<u>5,511</u>
Net cash provided by (used in) investing activities		<u>12,926</u>	<u>5,511</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		166,847	1,019,488
Cash and cash equivalents at the beginning of the reporting period		<u>1,775,783</u>	<u>756,295</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,942,630</u></u>	<u><u>1,775,783</u></u>

The notes form part of these financial statements

EARLY INTERVENTION FOUNDATION

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2017

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	year ended 31/3/17 £	period 1/7/15 to 31/3/16 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	978,500	603,401
Adjustments for:		
Depreciation charges	394	1,179
Interest received	(12,926)	(5,511)
Increase in debtors	(12,892)	(73,918)
(Decrease)/increase in creditors	<u>(799,155)</u>	<u>488,826</u>
Net cash provided by (used in) operating activities	<u>153,921</u>	<u>1,013,977</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Voluntary income is received by way of grants, donations and gifts and is included in full in the SoFA when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the Charity becomes unconditionally entitled to the grant.

Donations are credited to income when received and are included in the unrestricted funds if not destined for specific funds.

Where income is received during the year under review but relates to a later period the amount is deferred under Payments received in Advance in the Balance Sheet, and included as a creditor.

Investment income is included when receivable.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Cost of generating funds comprise of the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are allocated across activities on a percentage basis according to the income that each department generates.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

No assets costing less than £1,000 are capitalised.

1. ACCOUNTING POLICIES - continued

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Pension costs and other post-retirement benefits

All staff have the opportunity to take part in a stakeholder pension scheme under a salary sacrifice payable by the employer during the year on behalf of the employee.

EARLY INTERVENTION FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2017**

2. DONATIONS AND LEGACIES

	year ended 31/3/17 £	period 1/7/15 to 31/3/16 £
Donations	270,000	700,146
Grants	<u>1,972,592</u>	<u>767,578</u>
	<u>2,242,592</u>	<u>1,467,724</u>

Grants received, included in the above, are as follows:

	year ended 31/3/17 £	period 1/7/15 to 31/3/16 £
EIF establishment and sustainability grant	1,011,616	574,878
Home Office	20,000	139,800
Public Health England	132,300	33,500
Economic and Social Research Council	19,000	19,400
Middlesbrough Council	16,495	-
Bradford Trident	1,412	-
Torbay Council	4,503	-
Department for Education	702,266	-
Local Government Association	65,000	-
Other grants	-	-
	<u>1,972,592</u>	<u>767,578</u>

3. OTHER TRADING ACTIVITIES

	year ended 31/3/17 £	period 1/7/15 to 31/3/16 £
Sponsorships	<u>-</u>	<u>25,000</u>

4. INVESTMENT INCOME

	year ended 31/3/17 £	period 1/7/15 to 31/3/16 £
Deposit account interest	<u>12,926</u>	<u>5,511</u>

EARLY INTERVENTION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2017

5. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	year ended 31/3/17 £	period 1/7/15 to 31/3/16 £
Depreciation - owned assets	393	1,179
Other operating leases	56,023	42,000
Audit	<u>5,160</u>	<u>5,040</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2017 nor for the period ended 31st March 2016.

Trustees' expenses

During the year, travel expenses of £997 (2016: £1,470) incurred on behalf of the Charity were reimbursed to 3 (2016: 3) Trustees.

EARLY INTERVENTION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2017

7. STAFF COSTS

	year ended 31/3/17 £	period 1/7/15 to 31/3/16 £
Wages and salaries	704,250	553,937
Social security costs	77,823	48,840
Other pension costs	<u>34,451</u>	<u>12,625</u>
	<u>816,524</u>	<u>615,402</u>

The average monthly number of employees during the year was as follows:

	year ended 31/3/17	period 1/7/15 to 31/3/16
Total	<u>18</u>	<u>13</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	year ended 31/3/17	period 1/7/15 to 31/3/16
£70,001 - £80,000	2	-
£80,001 - £90,000	<u>2</u>	<u>2</u>
	<u>4</u>	<u>2</u>

Employer's pension contributions for these employees amounted to £13,275 (2016: £7,887).

Key Management Personnel remuneration amounted to £338,275.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	700,146	767,578	1,467,724
Charitable activities			
Charitable activities	83,839	-	83,839
Other trading activities	25,000	-	25,000
Investment income	<u>5,511</u>	<u>-</u>	<u>5,511</u>
Total	814,496	767,578	1,582,074

EARLY INTERVENTION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2017

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
EXPENDITURE ON			
Charitable activities			
Charitable activities	211,095	767,578	978,673
Total	211,095	767,578	978,673
NET INCOME/(EXPENDITURE)	603,401	-	603,401
RECONCILIATION OF FUNDS			
Total funds brought forward	79,567	161,166	240,733
TOTAL FUNDS CARRIED FORWARD	682,968	161,166	844,134

9. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1st April 2016 and 31st March 2017	4,717
DEPRECIATION	
At 1st April 2016	4,324
Charge for year	393
At 31st March 2017	4,717
NET BOOK VALUE	
At 31st March 2017	-
At 31st March 2016	393

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	225,760	54,592
Prepayments and accrued income	75,390	233,666
	301,150	288,258

EARLY INTERVENTION FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2017****11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Trade creditors	134,136	75,052
Social security and other taxes	22,915	18,679
Other creditors	18,146	319
Payments received in advance	222,367	1,106,216
Accruals and deferred income	<u>23,582</u>	<u>20,034</u>
	<u>421,146</u>	<u>1,220,300</u>

12. MOVEMENT IN FUNDS

	At 1/4/16	Net movement in funds	Transfers between funds	At 31/3/17
	£	£	£	£
Unrestricted funds				
General fund	682,968	978,500	(588,834)	1,072,634
Designated - Special Projects Fund	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>750,000</u>
	682,968	978,500	161,166	1,822,634
Restricted funds				
EIF establishment and sustainability	<u>161,166</u>	<u>-</u>	<u>(161,166)</u>	<u>-</u>
TOTAL FUNDS	<u>844,134</u>	<u>978,500</u>	<u>-</u>	<u>1,822,634</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	2,152,667	(1,174,167)	978,500
Restricted funds			
EIF establishment and sustainability	3,800	(3,800)	-
Home Office	20,000	(20,000)	-
Public Health England	132,300	(132,300)	-
Economic and Social Research Council	<u>19,000</u>	<u>(19,000)</u>	<u>-</u>
	175,100	(175,100)	-
TOTAL FUNDS	<u>2,327,767</u>	<u>(1,349,267)</u>	<u>978,500</u>

The funds were used to fund i) our core work programme and ii) work to assess social and emotional skills in children and the importance of these skills for adult outcomes; our programme of work on gang and youth violence; a guide for police officers and PCSOs on identifying at-risk children; and a review of the literature on the evidence of programmes aiming to improve parent-child interactions from conception to age five. Further details are outlined in our Achievements and Performance in the Trustees' report.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2017**

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st March 2017.

EARLY INTERVENTION FOUNDATION

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2017

	year ended 31/3/17 £	period 1/7/15 to 31/3/16 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	270,000	700,146
Grants	<u>1,972,592</u>	<u>767,578</u>
	2,242,592	1,467,724
Other trading activities		
Sponsorships	-	25,000
Investment income		
Deposit account interest	12,926	5,511
Charitable activities		
Charitable activities	<u>72,249</u>	<u>83,839</u>
Total incoming resources	2,327,767	1,582,074
EXPENDITURE		
Charitable activities		
Wages	704,250	553,937
Social security	77,823	48,840
Pensions	34,451	12,625
Other operating leases	56,023	42,000
Commissioned work	294,149	208,775
Events costs	35,065	37,439
Office & other costs	46,778	35,747
Accountancy	14,988	3,023
IT costs	19,354	10,838
Website	4,867	10,916
Recruitment	28,710	7,725
Marketing	27,255	589
Depreciation of tangible fixed assets	<u>394</u>	<u>1,179</u>
	1,344,107	973,633
Support costs		
Management		
Audit	<u>5,160</u>	<u>5,040</u>
Total resources expended	1,349,267	978,673
Net income	<u>978,500</u>	<u>603,401</u>

This page does not form part of the statutory financial statements