

Early Intervention Foundation
(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 March 2019

Company Number: 08066785
Charity Registered in England and Wales Number: 1152605



Early Intervention Foundation

Contents

For the Year Ended 31 March 2019

	<u>Page</u>
Contents	1
Reference and Administrative Details	2
Trustee Directors' Report	3 – 16
Independent Auditors' Report	17 – 11
Statement of Financial Activities	20
Balance Sheet	21
Statement of Cashflows	22
Notes to the Financial Statements	23 – 35

Trustees and Directors

Dame O C Tickell DBE – Chair
M G Pilgrim – Treasurer
R Auladin (Appointed 22 July 2019)
K Beaver (Appointed 22 July 2019)
S Burlington (Appointed 22 July 2019)
C A Davies CBE
J E O Gross CBE (Resigned 30 July 2018)
J Hayman
B C L Lucas
H M Rhodes OBE
R P Shorthouse
R J Shostak CBE (Resigned 23 May 2019)
D Simmonds CBE (Resigned 23 May 2019)

Chief Executive

Dr J Casebourne

Company Secretary

C E Razzell

Principal Office and Registered Office

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Company registration number

08066785

Charity registration number

1152605

Bankers

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Accountants

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Auditors

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The Trustees, who are also the directors of the charity for the purposes of company law, present their report with the financial statements of the charity for the year ended 31 March 2019. In preparing the financial statements, the Trustees have applied "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)". The charity operates under the working name of "EIF".

Structure, Governance and Management

The Early Intervention Foundation (EIF) is a company limited by guarantee (registration number: 08066785) and a registered charity (registration number: 01152605.) EIF is also one of the Government's What Works Centres.

The charity was established in 2013 for the public benefit, to advance education, promote health and relieve poverty. The charity is governed by its Memorandum of Association which are lodged with Companies House and which sets out the Objects and Powers of the charity. The Objects are focused on "disseminating evidence concerning best practices in early interventions to improve social and emotional capabilities of babies, children and young people."

The Memorandum of Association further sets out the composition and duties of the Board of Trustees (the Board). The Board currently comprises 9 Trustees and may never be less than 3 persons. The Board elects a Chair from amongst its members and at present this position is held by Dame. O C Tickell DBE. The Board also maintains 1 Trustee as Honorary Treasurer, this position is currently held by Mr. M G Pilgrim. The tenure on the Board is 5 or 6 years, after which time replacements are recruited.

The Board is responsible for the management of the charity's business but chooses to delegate. Delegation of day to day management is to the Chief Executive, a position currently held by Dr Jo Casebourne. EIF also has a Senior Management Team comprising 4 persons – Thomas McBride, Director of Evidence, Donna Molloy, Director of Policy and Practice, Jane O'Brien, Director of Evidence and Evaluation for the Youth Endowment Fund and Charlotte Razzell, Director of Finance and Resources. Collectively their responsibility is to advise, implement and report upon the strategy and budget approved by Trustees. As a whole EIF employed around 21 staff during 2018-19 arranged into 4 directorates and a separate Communications team reporting to the Chief Executive.

To assist in discharging its duties the Board has further established 2 Committees for scrutiny and oversight:-

1. A Remuneration Committee which reviews the annual pay award to staff and the remuneration of senior staff including the Chief Executive. This committee comprises 3 Trustees and selects a Chair from amongst its members.
2. A Finance Committee to assist in deeper scrutiny of financial matters and to oversee the annual external audit. This committee comprises 3 Trustees and is always chaired by the Honorary Treasurer.

Decision making by the Board occurs at meetings which are scheduled to take place quarterly. Additional meetings can be called if needed. The Board must be quorate to make decisions and this is set at the greater of two persons or one third of the members. In the event, the Chair has a casting vote to make decisions. Trustees carefully consider whether they have conflicts of interest to report against any agenda item or decision. Annually they complete a Related Parties Declaration form.

As and when required, Trustee recruitment is undertaken via a transparent and public process. In 2018-19 the Board recruited for new members and engaged the professional services of an external agency to support the process. From this exercise persons with the requisite skills have been identified to join the Board, three of whom have been formally appointed as at July 2019. New Trustees are provided with a comprehensive induction in which they visit the charity and meet with key personnel. They are given an information pack about the charity and access to past Board papers and minutes.

Trustees received reimbursement of relevant expenses to attend meetings but no other compensation for their time or effort on the Board. In 2019 the Board approved a new expenses policy.

In 2018 the Board reviewed their responsibilities and best practice in light of the recently published Governance Code. In November the Board reflected on its performance with an external facilitator. This included a survey of Board effectiveness.

Trustees directly oversee the remuneration of the Chief Executive. All other staff are paid according to a remuneration framework established in 2017 and overseen by the Remuneration Committee. All job descriptions are externally benchmarked before advertising using an independent third party evaluator who advise the charity as to the correct grading of the role. Existing staff can progress through three levels of remuneration at each grade, depending on their experience and proficiency at their job. From time to time, as responsibilities change, existing jobs may be re-evaluated. Annually the Trustees consider whether there should be a cost of living increase.

EIF's 'What Works' status places additional responsibility upon the charity to be independent of Government and have a clear and relevant policy focus. In all aspects of work EIF adheres by these standards irrespective of the funder. The work undertaken by EIF clearly fits within the remit of a What Works Centre by focusing on evidence generation and synthesis, evidence translation (dissemination) and adoption of evidence in policy and practice.

In furtherance of this the Board has also chosen to establish an Evidence Panel to provide world-class expertise and advice. The Panel's role is purely advisory and comprises academic experts. Their work ensures EIF conducts independent and rigorous assessment of all available evidence on a given topic. Historically, the Panel assisted in the development of EIF's Standards of Evidence and continues to monitor and quality assure their application to our work. The Panel meets bi-annually to consider a range of topics as relevant to the charity's work-plan. Their terms of reference is to advise EIF on:

- i. its evidence and research programme;
- ii. technical and methodological aspects relevant to EIF's evidence and research;
- iii. the development of EIF's What Works the evidence standards, their application and how they evolve in future;
- iv. assessment of individual early intervention programmes, practices and systems;
- v. assessment of cost and impact of early intervention programmes, practices and systems;
- vi. moderation of such assessments in ii), iii), iv) above; and
- vii. quality assurance on all of the above.
- viii. undertake other work relating to research on early intervention, including offering advice on links with other research and funding bodies.

Objectives and Activities

2018-19 was the first year of EIF's new five year strategy and Dr Jo Casebourne had been in post as Chief Executive for 18 months at the financial year end. It was a year of growth for EIF, with a turnover of £1,645,495, compared to £1,435,252 in 2017-18.

The new strategy (which was published in the summer of 2018) sets out EIF's vision: that all children are able to achieve their full potential, and our mission: to ensure that effective early intervention is available and is used to improve the lives of children and young people at risk of poor outcomes. The strategy also sets out how we work to achieve our mission, through:

1. Making the case for early intervention.
2. Generating evidence on what is effective early intervention and what is not.
3. Using this evidence to change policy and practice.

This is supported by our work on communications, funding, partnerships and impact.

In 2018-19 the charity did not make grants, use social investment or have volunteers.

Engaging our Audiences

The strategy outlines the different audiences that EIF has. Political leaders, policy-makers, sector bodies, funders and charities at the national level who set the rules of the game - they determine the extent to which early intervention is prioritised and invested in across the country as a whole. At the local level, politicians and senior leaders can set a vision and strategy which mobilises the local partnership around the concept of early intervention, whilst commissioners and service managers can invest in and commission early intervention. Through influencing these national and local audiences, EIF aims to shift the actions and decisions of practitioners working at the frontline.

Each project in our work programme for 2018-19 set out a specific audience, or set of audiences, that EIF engaged with. In addition to this individual project-level engagement with our audiences, we also had a 'stakeholder engagement' project, to enable us to undertake a structured programme of wider stakeholder engagement in order to put the needs and interests of our audiences at the centre of our work programme. Relationships with government, academics, the voluntary sector and early intervention providers are all vital to the evolution of our work, ensuring that it is directly relevant to the needs of the early intervention sector, as well as creating the foundations for the effective dissemination of our work.

Making the Case

Our strategy set out the need for a refreshed set of evidence-based arguments that make a new and more nuanced case for early intervention and that reflect the current context and journey of the last few years. Our work to make the case for early intervention in 2018-19 had a number of elements: 1) synthesising the evidence on the links between risks and outcomes to clearly set out where the most potential for early intervention lies, 2) development of a new, clear narrative to explain what early intervention is and why it matters – both socially and economically, and 3) influencing and persuading a new generation of advocates for early intervention, whilst working with existing champions, to give them new arguments and evidence to make the case for effective early intervention.

Generating Evidence

Over the five years of our strategy our evidence generation work will include:

- Evidence on identifying risk
- Evidence on how to effectively assess need
- Evidenced-based programmes
- Evidence on effective workforce practice
- Evidence on how to create effective local conditions and systems to support early intervention

Early Intervention Foundation

Trustee Directors' Report

For the Year Ended 31 March 2019

The work programme in 2018-19 addressed several of these areas, including evidence on identifying risk (e.g. our work on Adverse Childhood Experiences), evidence-based programmes (e.g. our work on maintaining and updating EIF's Guidebook), evidence on how to create effective local conditions and systems to support early intervention (e.g. our work on how to evaluate effective early intervention systems), and evidence on effective workforce practice (e.g. projects on what practice and behaviour has been shown to improve outcomes for children in early years settings, and on engaging disadvantaged parents in parental conflict programmes). In addition, we conducted a quantitative analysis on the impact of the two year old offer policy for the Department for Education (DfE), and an analysis of the cost of late spend in Australia (contracted by Telethon Kids Institute, a children's research charity).

We also delivered work on our strategy commitment to support others to build the evidence base on effective early intervention, including a project on evaluating effective early intervention systems, and by producing a 10 steps guide to evaluation success for providers of early intervention programmes. We also supported the Department for Work and Pensions (DWP) on the Reducing Parental Conflict evaluation and DfE on the evaluation of the Social Mobility Action Plan (SMAP).

Using Evidence to Change Policy and Practice

In 2018-19 we delivered a range of projects designed to ensure that our evidence is used at both local and national level. The strategy set out a number of mechanisms that we use to disseminate our evidence and to get it adopted in both policy and practice 1) Working with policy-makers; 2) Working with sector and workforce bodies and large charities; 3) Running networks; and 4) Working directly with local places. All of these mechanisms featured in our work in 2018-19.

Our work this year included working closely with DWP on the Reducing Parental Conflict programme, making the case for local action to reduce parental conflict and develop resources for local commissioners, managers and practitioners, and with DfE, provided ongoing advice, support and challenge to the design, delivery and evaluation of several key policy strands of the Social Mobility Action Plan. We have also been delivering the Early Years Transformation Academy (EYTA) to support the local commissioning and testing of evidence-based interventions in a small number of local places, whilst providing online support to a wider number of areas. We have been working to produce guidance for primary schools to support the development of children's social, emotional and behavioural skills and have been delivering work funded by the Battersea Power Station Foundation looking at the potential of early intervention to reduce the risk of gang and youth violence amongst vulnerable children.

Communications

EIF continues to grow and develop its communications function and impact, while delivering a calendar of day-to-day communications activities efficiently and to a high standard.

Major milestones this year included the report *Realising the potential of early intervention* and related events and communications, which generated an unprecedented level of engagement; the launch of a completely revamped main website; a campaign to promote the EIF Guidebook and its growth to include more than 100 programmes; and a series of major reports and resources, including those relating to the Healthy Child Programme, children's cognitive development in the early years, and our '10 steps to evaluation success'.

Early Intervention Foundation

Trustee Directors' Report

For the Year Ended 31 March 2019

Other innovations and developments include the new Early Years Transformation Academy Hub microsite; a full redesign for new iterations of the EIF maturity matrix resources; introducing webinars to provide live and 'watch later' opportunities to disseminate research findings and engage directly with audiences; a short animated advert for the EIF Guidebook, and a set of new functionality and features to expand users' control over searching and filtering programmes on the Guidebook; and new public-facing corporate documents, including a summary of our five-year strategy, an annual report, and a summary of our new impact framework.

Sustainable Funding

In 2018-19 we created a five-year financial strategy for EIF, setting out how we will grow, secure long-term funding and diversify our funding sources to create a financially sustainable organisation. We set up new systems and processes internally to support our fundraising activity.

We signed a two year cross-government grant agreement for 2018-19 to 2019-20 with DfE in May 2018, which covers our funding from DfE, DWP, the Ministry of Housing, Communities and Local Government (MHCLG) and Public Health England (PHE). We then expanded this grant with new projects for DfE on the Social Mobility Action Plan (SMAP), and new funding by DHSC for work on the Mental Health Green Paper. We also developed our international work, including work in Australia.

In addition to this, we were successful in a joint bid to the Home Office to deliver the £200m Youth Endowment Fund (YEF), in partnership with Impetus Private Equity Foundation (Impetus PEF) and the Social Investment Business (SIB). YEF is a bold new attempt to put early intervention at the heart of efforts to tackle youth offending. It will support interventions and community partnerships working with children at risk of being drawn into crime and violence, and build up our knowledge of what works to prevent that. It focuses on 10-14 year olds across England and Wales. EIF's role in the partnership is to deliver the Centre of Expertise envisaged by the Home Office as the mechanism by which evidence of what works remains at the heart of YEF decision making. The fund launched on 1st April 2019 and therefore the charity will see the full impact of this in the 2019-20 accounts.

Working in Partnership

A number of our projects involved working in partnership this year. This included working with the Education Endowment Foundation (EEF) as part of our work on social and emotional learning, and with the Association of Directors of Children's Services (ADCS) Staff College, Better Start Bradford and Born in Bradford and as part of the EYTA project.

Understanding our Impact

In 2018-19 we developed the criteria to which we measure our success as a charity in a new impact framework. This is set out in the section below (Achievement and Performance).

Our People

In the course of 2018-19 the charity employed on average 21 people. There was one appointment to the senior management team in July 2019 when Jane O'Brien joined as the Director of Evidence and Evaluation for the Youth Endowment Fund. There was otherwise only natural turnover in staff numbers. New positions were created during the year in Funding and Partnerships, Press and Policy roles and after the year end to recruit staff to deliver the Youth Endowment Fund. In addition, the charity has reorganised work within the back office, insourcing financial management from January 2019 and insourcing aspects of Human Resources from June 2019.

Amongst Trustees Jean Gross stepped down from the Board in July of 2018, Raymond J Shostak and David Simmonds stood down in May 2019. Also during the year Professor David Farrington stepped down from the Evidence Panel and Professor Eamon McCrory was appointed.

Achievements and Performance

Assessing Impact

Our new impact framework was agreed with our Trustee Board in July 2018 and is now central to the way we design and manage our projects. The framework is rooted in behavioural science and uses the COM-B framework developed by Professor Susan Michie – the theory that for people to Behave in the way we want them to, they need to have the Capability, Opportunity and Motivation to do so, and that barriers may exist at any or all of these levels. It specifies the overall behaviour change we want to see as “increased prioritisation of and investment in effective early intervention”, and seeks to describe the intended and actual impacts of our projects as increasing the capability, opportunity or motivation of people in our key audience groups.

Our impact in 2018-19

1. Our evidence shaped national policy and investment decisions, and influenced parliamentary committee recommendations.
2. Our highly regarded resources for commissioners and service managers are being used to inform decision-making at local level.
3. Our landmark report *Realising the potential for early intervention* has established a strong narrative and clear case for change that is supporting the case for investment and prioritisation of early intervention at all levels.
4. We increased the capability, opportunity and motivation of our audiences to use the evidence on early intervention in policy, practice and spending decisions.
5. Our impact is built on the firm foundations of reputation, quality and reach.

Shaping National Policy and Investment Decisions

Our past work and reputation ensure we are able to participate in and influence policy and funding decisions in a variety of ways.

We have sat on several advisory boards, including the NHS perinatal pathway expert reference group, the DfE's Home Learning Environment campaign and stakeholders forum, and two PHE advisory groups focused on speech, language and communication. These advisory boards are able to use and apply our evidence and findings, for example in our reports *What works to enhance the effectiveness of the Healthy Child Programme*, *Language as a child wellbeing indicator* and *Key competencies in early cognitive development*. We have given evidence to and advised the Cabinet Office on children's early years development and maternal mental health through the 'first 1,000 days' interministerial group chaired by Andrea Leadsom MP.

We have advised on several other areas of government investment and delivery. We are members of the DWP's Reducing Parental Conflict programme cross-government delivery group, and our private advice to DWP previously led to the inclusion of a child outcome measure in the evaluation of the interventions being delivered through the programme. Our advice has similarly shaped policy and implementation aspects of the Home Office's trusted relationships fund, and the DfE's social mobility action plan, for which we have provided both expert advice (for example, on fund criteria) and integral resources (such as the speech, language and communication maturity matrix).

Over the course of 2018-19, we were invited to submit evidence or to appear as expert witnesses before three parliamentary committees: the education select committee (inquiry on life chances), the health select committee (on the first 1,000 days), and the science and technology committee (inquiry on evidence-based early years intervention). This kind of activity offers us another mechanism by which to influence decisions about policy or investment. For example, we submitted written evidence and gave oral evidence to the science and technology committee's inquiry. The committee's recommendations strongly echoed the recommendations we made in our *Realising the potential* report. In all, our evidence and published material was cited more than 50 times in the committee's report.

Resources being used by Commissioners and Service Managers

The EIF Guidebook is our flagship resource for commissioners. In February we increased the number of programmes described and assessed on the EIF Guidebook to over 100, making it a more comprehensive and valuable tool for providers, commissioners and policymakers.

In our 2018 survey of sector leader and stakeholders, 90% of respondents in commissioning roles agreed or strongly agreed that they had learned from their interactions with EIF, and 66% said they had made changes in how they worked. Overall, the EIF Guidebook was the third-most common way of interacting with the organisation (after research reports and briefings) and was rated as 'very useful or useful' by 93% of all respondents.

Public bodies have incorporated the Guidebook into their work – the Welsh Government, for example, has included our evidence ratings and a link to the Guidebook in their parenting support guidance and is strongly encouraging local authorities to assure themselves that their commissioned provision is evidence-based. We have taken other opportunities to ensure the Guidebook's evidence is used, for example through an EIF session delivered to senior children's services managers at Kent County Council.

To give another example of our influence on local decision-making, we are supporting the DfE's social mobility action plan through the local authority peer challenges, where we have worked with six sites on their self-assessment, presented at four peer reviewer training sessions, and fed into the Local Government Association's (LGA) peer challenge manual. This is the first time that the LGA peer challenge process has included support to local areas to prepare, and although the formal impact will not be known until evaluation in 2019-20, anecdotal feedback from sites is positive and local stakeholders suggest our new maturity matrix is providing a useful framework.

Our previous work with West Yorkshire Police continues to have an impact. The police and crime commissioner's office was successful in bidding for over £1 million of funding from the early intervention youth fund, and the police hosted a partnership conference on early intervention in November 2018 for their third-sector partners.

Establishing a Strong Narrative

In October we published our landmark report, *Realising the potential for early intervention*. This report considered the latest evidence for early intervention, and clearly set out when and how it can help children and young people to thrive. It was up-front about the contextual challenges of delivering evidence-based early intervention, and it set out a bold and ambitious action plan: a route map to ensuring that effective early intervention is available and used by all children and families who need it. The narrative and ambition set out in *Realising the potential* forms the bedrock for all our work.

In terms of reach and engagement, the report and related communications were an unprecedented success, setting 'organisational bests' for web traffic, downloads, Twitter engagement and sharing, and video views. Crucially, there are indications that this increased profile has been sustained, with website visitor statistics roughly 40–60% higher across the six months following the *Realising the potential* launch than in the six months prior (although of course this cannot be attributed to the report alone).

The report calls for greater coordination of policy across relevant departments, and clear leadership for children's policy – which is an ambition we are able to support directly. We frequently support government departments to make connections between policy areas. For example, prior to the publication of *Realising the potential*, we presented at a cross-departmental roundtable chaired by Indra Morris from the DfE, providing an opportunity for senior officials across all the relevant departments to engage with the key messages in the report and shape the recommendations in advance of its publication.

Increasing Capability, Opportunity and Motivation to use Evidence

Our new impact framework helps us to think more clearly about the shorter-term impact of our work, in terms of increasing the capability, opportunity and/or motivation of decision-makers at national or local level to invest in and prioritise effective early intervention, and to use the evidence on early intervention in their policy, practice or funding decisions.

Examples of increasing capability

We delivered training to lead members on early intervention at the LGA children's services leadership essentials course which was run four times over the year, and worked with the LGA to publish a resource pack for lead members.

The Early Years Transformation Academy enables our most intensive working with local places. The academy went through design, recruitment (19 applications) and selection (of five participating areas) in 2018-19, ahead of its active launch in April 2019. The design phase included three evidence seminars around England, with over 120 attendees, more than 60% of whom said EIF's work was very influential on their own work.

Examples of increasing opportunity

The fact that most early intervention work delivered in local places is not evaluated is a significant 'opportunity' barrier to local investment in effective provision: we simply don't know whether new or existing interventions are effective, or likely to be effective in the future. One particular focus of our work is to support a step change in the quantity and quality of evaluation carried out.

In March, we published 10 Steps for Evaluation Success. This simple and accessible guidance begins with practical advice about how to develop a scientifically grounded theory of change and progresses through to impact evaluation and scaling of successful interventions. The early signs are that our guidance is welcomed and is beginning to have an impact with charities, local authorities and others who are starting to use the framework to develop their interventions. For example, the Education Endowment Foundation (EEF), the NSPCC and the Australian government now all provide links to the guidance on their websites.

We also seek to increase the opportunity for decision-makers to use evidence by generating new evidence on key issues. In 2018-19, for example, we published new analysis on the impact of the 2-year-old free childcare entitlement, and an accessible review on the evidence relating to teaching, pedagogy and early years childcare practice.

Examples of increasing motivation

The argument presented in *Realising the potential of early intervention* now underpins our work to engage and support a new generation of parliamentary 'champions' and local councillors supporting evidence-based commissioning and investment.

In the very local context, we have experimented with system mapping as a way to identify the strengths and weaknesses of a local system, and the opportunities for driving change within that system, as well as, crucially, increasing motivation within local partnerships to simplify, coordinate or improve. We have run system mapping workshops in the London Borough of Wandsworth as part of our Battersea Power Station Foundation funded work on preventing gang and youth violence, and have had feedback from the assistant director of early help that this has helped her to make the case to senior colleagues and councillors for simplification of the local early help system.

Maintaining Firm Foundations of Reputation, Quality and Reach

Our ability to achieve a positive impact in the kinds of ways described above rests on our profile and reach, the quality of our outputs, and the financial sustainability of the organisation.

As noted already, our key 'making the case' report, *Realising the potential of early intervention*, set new benchmarks for the initial impact of an EIF output, and continues to underpin many aspects of our work. It was launched at an event attended by over 100 delegates and involving a panel of senior figures from Barnardos, PHE, the Association of Directors of Children's Services and the Local Government Association. It was later introduced to a parliamentary audience at a panel event hosted by the Parliamentary Office of Science and Technology, with a panel including Rt. Hon. Norman Lamb MP.

EIF published 15 other research reports and substantive resources in 2018-19, as well as ongoing updates to key existing resources such as the Reducing Parental Conflict commissioner guide and hub microsite. Audience numbers continue to grow, with EIF website users increasing by 35% year on year, and by 40% for the Guidebook.

Following the first ever open call for programme providers to submit their programmes for potential inclusion in the EIF Guidebook, 19 programmes went through our rigorous programme assessment process, and 17 were subsequently added to the Guidebook. No providers appealed their rating following ratification by our expert panels.

Future Developments

2019-20 will be the second year of EIF's five year strategy. It sees a shift in our work programme towards getting evidence used to change policy and practice, building on the many evidence products produced in 2018-19. A number of our projects in the coming year continue work started in previous years.

We are predicting another year of growth for the charity in 2019-20. Our work to deliver YEF substantially increases our income and our partnership working, as YEF is led by Impetus with EIF and SIB as delivery partners. YEF will mean up to seven new roles for EIF in 2019-20 and beyond. Our work programme for 2019-20, including YEF, supports all elements of EIF's strategy. We signed our cross-government grant agreement for 2019-20 with DfE in April 2019, which covers our funding from DfE, DWP, MHCLG, PHE and the Department for Health and Social Care (DHSC).

Engaging our audiences

We will continue to work to engage all of our key audiences, through individual projects, through our ongoing stakeholder engagement project, and through an increasing programme of events.

Making the case

Following on from the launch of our *Realising the Potential* report in 2018-19, we will be taking forward work to generate new support for early intervention. This will include working with national politicians to create new champions of the early intervention agenda and working with officials to influence the Spending Review planned for the Autumn of 2019. We will also be working with key local audiences to support them to communicate the case for effective early intervention.

Generating evidence

EIF's role in delivering YEF is to lead the evidence, evaluation and data aspects of the fund and this will be the most substantial evidence generation work that the charity has done to date. This involves ensuring the latest evidence on what works to reduce youth offending is integrated into the strategy of the fund, leading on the design of independent evaluations of all interventions which YEF funds, and designing ways in which the long-term impact of interventions on offending can be measured. This work represents a significant shift for EIF - moving EIF from synthesising evidence to generating it through new trials and evaluations to test what works to tackle youth offending.

We will be continuing to add evidence-based early intervention programmes to EIF's Guidebook and will be doing some work with key audiences of the Guidebook to develop the resource further. We will also be doing further work to improve evaluation in 2019-20, building on our publications on 10 Steps for Evaluation Success and Evaluating Early Help in 2018-19. As part of our work for DWP on Reducing Parental Conflict, we are conducting a rapid review of the strength of evidence for measurement tools used to capture types and severity of relationship conflict. Our work on Adverse Childhood Experiences that we started in 2018-19 continues into 2019-20.

Using evidence to change policy and practice

We will deliver a range of projects designed to ensure that our evidence is used at both local and national level. Our work with DWP supporting the Reducing Parental Conflict programme continues, as does our supporting DfE with the delivery of the Social Mobility Action Plan, our work delivering the Early Years Transformation Academy (EYTA), our work to support the development of children's social, emotional and behavioural skills funded by the Battersea Power Station Foundation, and producing guidance for primary schools to support the development of children's social, emotional and behavioural skills.

We will be working to ensure the evidence in two major early years reports that we published in 2018-19 (on the Healthy Child Programme and Childhood Competencies) is used to change both policy and practice. We are doing a small piece of work on domestic abuse, to scope out if further work from us on domestic abuse is needed from 2020/21 onwards. We are also doing some work with DHSC to support work on the Mental Health Green Paper.

Communications

EIF communications in 2019-20 will focus on expanding the capacity and impact of the team and developing formats and channels for EIF outputs and communication activities that meet the goals, set out in the EIF strategy, to be authoritative, accurate and relevant, accessible, engaging and useful. Ongoing activities include creating communications assets to explain the role and value of early intervention, and continuing EIF's innovative approach to developing new research-based digital tools and resources that are as useful as possible to our key audience groups, including policymakers, local decision-makers and leaders, and service managers and practitioners. New areas of activity include formal testing of key EIF online assets to ensure they meet our standards for engagement and accessibility, and promoting these key assets to increase their use, recognition and influence.

Working in Partnership

Looking forward EIF will work in close partnership with Impetus and SIB to deliver the Youth Endowment Fund (YEF). The fund launched on 1st April 2019 and EIF is contributing to the internal management and governance of the endeavour.

Understanding our Impact

We will be implementing and embedding our new Impact Measurement Framework that we created in 2018-19, supporting project managers to develop impact measures and data collection methodologies, and reviewing the effectiveness of the impact framework after a year of implementation.

How all our Activities Deliver Public Benefit

The Charity is established for the public benefit to:-

1. Advance education;
2. Promote health; and
3. 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.

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 for the year, relate in detail the benefit that the charity provides to the public.

Risk Management

Risk management is a key strategic activity for the Board. It is routinely woven into the cycle of Board meetings, senior management meetings and project management. The Board has considered the key risks to which it is exposed and undertaken an exercise to mitigate or minimise these as appropriate.

Risks may be strategic, including those arising from the environment in which EIF operates, whilst others may relate to the strengths and weaknesses of the charity at this point in its development. Risks are assessed by their impact and likelihood. EIF maintains a risk register that also includes a summary of the mitigating actions, the risk owner and the risk trend, which determines whether the risk score has increased or decreased since the previous review.

EIF refers to the Charity Commission guidance for its risk management policy. Some risks are mitigated by holding insurance, which is comprehensive. Insured risks include public and employers liability, professional indemnity and Trustees' liability. Operational risks are managed by having clear policies and guidance for staff / contractors in the conduct of their work. External risks are managed on a case by case basis and those risks which the charity cannot fully mitigate are managed by the charity holding sufficient reserves.

At the end of 2018-19, the key risk faced by the charity was the political environment, including the extension of Britain's exit from the European Union (Brexit) to October 2019 and the potential for a General Election, all of which has meant a long period of operational uncertainty. This has particularly affected plans for the government's Spending Review where EIF had hoped to put forward a strategic case for long term and increased funding. There is also a notable delay in government's return to any domestic policy agenda which might favour investment in early intervention. The charity is working closely with its co-ordinating department (DfE) and on a range of funding scenarios to ensure we are ready to respond at short notice to decision making in government.

Financial Review

Review of the year ending 31st March 2019

The year 2018-19 was one of growth for EIF, with a turnover of £1,645,495, compared to £1,435,252 in 2017-18. 89% of the charity's funds came from Whitehall sources (in 2017-18: 74%.) It remains a challenge for EIF to diversify its funding sources away from Whitehall, but this remains front and centre of the charity's objectives. In 2018 the Trustees approved a financial strategy which will focus the charity on raising funds from a broader base of stakeholders.

Overall the charity spent £1,724,998 delivering projects to funders and meeting its general running costs. Of this, the charity planned to spend £200,000 from the Special Projects Fund but at the year end only spent £145,000. This is because only two of the three projects originally planned were completed during the year. The first completed project was the charity's work on making the case for early intervention, culminating in the publication of the charity's *Realising the potential of early intervention* report in 2018. The second was the creation of the charity's impact framework which focuses on achieving and measuring behaviour change amongst our stakeholders. The final project, which was ultimately delayed, was to recruit a dedicated Funding and Partnerships staff role to develop our pipeline of applications and increase the diversity of funding. Following the approval of the charity's financial strategy the recruitment will now take place in 2019.

At the commencement of the financial year the charity planned an overall deficit of £111,124. Ultimately it delivered an overall deficit of £79,503. The Trustees are pleased with the cost control exhibited by the charity and note that the deficit was due to withdrawing funds (as planned and budgeted) from the Special Projects Fund. There was otherwise a surplus of £65,497 on unrestricted funds.

Investment Policy

In 2018 the board approved an investment policy. The charity maintains reserves in instant access cash and short term cash investments with the aim of maximising interest earned. The principles guiding investment decisions are:

- Cashflow is of paramount importance and the Trustees primary consideration is to maintain access to sufficient liquid funds to support the smooth running of the charity. The charity is risk-averse in this regard.
- The charity's funds are held in cash or short term investments which may include 3-12 months bonds or other fixed terms savings accounts. At this time investments which carry risk to the capital (reserves) are not considered appropriate. The charity is again risk averse in this regard.
- As a small organisation with limited staff resource it is important to minimise the transaction and organisational costs of any complex banking or investment arrangements. For this reason, although the charity benefits from the Financial Services Compensation Scheme, it does not limit its bank accounts to the £85,000 cap for this scheme.

Early Intervention Foundation

Trustee Directors' Report

For the Year Ended 31 March 2019

- EIF believes any banking or investment arrangements chosen for the charity's funds should themselves reflect the values and ethos of EIF and not run counter to its aims. Any relationship is screened by staff for obvious or perceived conflicts with the objectives of the charity.
- In the event that the charities risk appetite changes in the future and more risky investment are considered, restricted funds and deferred income, to which the charity does not yet have full entitlement, will always be held in cash and not exposed to such investment risks.

Reserves Policy

The Trustees have in the year reviewed the needs, risks and opportunities faced by the charity, along with relevant financial forecasts and analyses. The Trustees recognise the need for reserves and specifically identify the following, as key reasons for holding unrestricted funds:-

1. To provide the charity with working capital, enabling it to pay commitments to staff, premises and contractors, even when funding agreements are delayed or paid to EIF in arrears, which is common in grant funding. This guarantees continuation of operations.
2. To cover losses in income when funding agreements are delayed or cancelled, which itself is considered relatively high risk for EIF. This risk is especially high during periods of political uncertainty which characterises the current political climate. The nature of many grant agreements are that they lack the termination clauses (more common in commercial agreements) which would otherwise permit EIF to claim compensation or damages under these circumstances.
3. The charity is reliant on a small range of funding sources for unique and innovative work which can be challenging to scope and execute. It is both high risk and high cost to create quality projects out of evidence based research, policy and practice. Reserves are needed to counter-balance this risk and in some cases absorb cost over runs.
4. To allow for continued operation in years in which the organisation fails to achieve its in-year budgeted fundraising targets. This is considered relatively high risk due to the increasingly challenging economic environment for fundraising from high net worth individuals, trusts and foundations and research councils.
5. To be a going concern, ensuring the charity meets the test for solvency set by law and by the Charity Commission.
6. To enable expenditure at the Trustees' discretion:-
 - Funding projects of particular strategic importance, in fulfilment of the charity's objects, but for which no other funding can be identified.
 - To invest in the generation of income for future years. Continuing to plan for a sustainable independent future. EIF Trustees are mindful of having been directed to create and sustain new funding streams by government.

In respect of this final consideration, during 2016-17, the charity designated £750,000 of its unrestricted reserves, (£700,000 of which arose from corporate donations in 2014-15,) as a Special Projects Fund. The fund can only be spent at the Trustees' discretion. In 2018-19 the charity planned to spend £200,000 from the fund. Actual expenditure amounted to £145,000 and is discussed above in the Finance Review. As at 31 March 2019 the Special Projects Fund stands at £605,000 and the Trustees have committed to expenditure of up to £65,000 for the coming year.

At 31 March 2019 EIF's remaining unrestricted reserves totalled £1,013,307. The charity's Reserves Policy is to maintain at least 6 months' running costs for the many reasons given above.

During the year the Trustees reviewed the charity's financial strategy and future funding opportunities. As a result of this review it was determined that 6 months running costs is represented by reserves of £820,000. The charity is therefore presently in excess of its reserves policy by holding around 7.5 months in unrestricted funds.

Early Intervention Foundation
Trustee Directors' Report
For the Year Ended 31 March 2019

The Trustees have considered what action to take and noted that the charity is expanding. From 1 April 2019 EIF has taken on responsibility for delivering a Centre of Expertise for the Youth Endowment Fund. There will be a significant increase in both premises and staff headcount during 2019-20. Running costs will increase and the charity's risk profile will change. In light of this Trustees will recalculate the appropriate running costs and reconsider the charity's reserves policy in the coming year. There are currently no plans to reduce the amount held in unrestricted funds.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Early Intervention Foundation for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and 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).

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 income and expenditure, of the charitable company 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

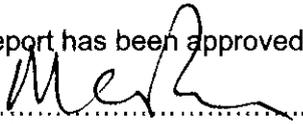
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors is aware of that information.

The report has been approved by the Trustees on 22 July 2019 and signed on their behalf by:


.....
M G Pilgrim
Treasurer

Early Intervention Foundation

Independent Auditor's Report to the Members
For the Year Ended 31 March 2019

Opinion

We have audited the financial statements of Early Intervention Foundation (the 'charitable company') for the year ended 31 March 2019, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 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.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Early Intervention Foundation
Independent Auditors' Report to the Members
For the Year Ended 31 March 2019

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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.



John Thacker FCA DChA (Senior Statutory Auditor)
For and on behalf of Chariot House Limited
Chartered Accountant and Statutory Auditor

44 Grand Parade
Brighton
East Sussex
BN2 9QA

Date: 26 July 2019

Early Intervention Foundation

Statement of Financial Activities (including an Income and Expenditure Account)

For the Year Ended 31 March 2019

	Notes	Unrestricted £	Restricted £	Total 2018-19 £	Unrestricted £	Restricted £	Total 2017-18 £
Income:							
Donations and legacies	2	-	-	-	2,254	-	2,254
Investments	3	7,057	-	7,057	5,808	-	5,808
Charitable activities	4	94,454	1,543,984	1,638,438	365,765	1,061,425	1,427,190
Total income		101,511	1,543,984	1,645,495	373,827	1,061,425	1,435,252
Expenditure:							
Charitable activities	5	181,014	1,543,984	1,724,998	498,651	1,061,425	1,560,076
Total expenditure		181,014	1,543,984	1,724,998	498,651	1,061,425	1,560,076
Net (expenditure)/income for the year		(79,503)	-	(79,503)	(124,824)	-	(124,824)
Transfers between funds	14	-	-	-	-	-	-
Net movement in funds for the year		(79,503)	-	(79,503)	(124,824)	-	(124,824)
Reconciliation of funds							
Total funds brought forward		1,697,810	-	1,697,810	1,822,634	-	1,822,634
Total funds carried forward		1,618,307	-	1,618,307	1,697,810	-	1,697,810

The results for the year derive from continuing activities and there are no gains or losses other than those shown above.

The statement of financial activities incorporates the income and expenditure account.

Early Intervention Foundation – Company Registration Number: 08066785

Balance sheet

As at 31 March 2019

		2019		2018	
		£	£	£	£
	Notes				
Fixed assets					
Tangible fixed assets	10	-	-	-	-
Current assets					
Debtors	11	388,598		229,446	
Cash at bank and in hand		1,404,792		1,874,068	
		1,793,390		2,103,514	
Liabilities:					
Creditors falling due within one year	12	(175,083)		(405,704)	
Net current assets		1,618,307		1,697,810	
Total net assets		<u>1,618,307</u>		<u>1,697,810</u>	
The funds of the charity:					
Restricted funds	13	-		-	
Unrestricted funds	13	1,618,307		1,697,810	
Total charity funds		<u>1,618,307</u>		<u>1,697,810</u>	

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Approved by the Board for issue on 22 July 2019 and signed on their behalf by:



M G Pilgrim
Treasurer

Early Intervention Foundation
Cash Flow Statement
For the Year Ended 31 March 2019

		Total 2018-19 £	Total 2017-18 £
	Notes		
Cash flows from operating activities			
Net movements in funds for the year		(79,503)	(124,824)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	10	-	-
Finance income	3	(7,057)	(5,808)
		<u>(86,560)</u>	<u>(130,632)</u>
Working capital adjustments			
Increase/(decrease) in debtors	11	(159,152)	71,704
(Decrease)/increase in creditors	12	(230,621)	(15,442)
		<u>(476,333)</u>	<u>(74,370)</u>
Net cash flow from operations		(476,333)	(74,370)
Cash flows from investing activities			
Interest received	3	7,057	5,808
		<u>(469,276)</u>	<u>(68,562)</u>
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the reporting period		1,874,068	1,942,630
Cash and cash equivalents at the end of the reporting period		<u><u>1,404,792</u></u>	<u><u>1,874,068</u></u>

1 Accounting policies

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

1.1 Basis of accounting

The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Early Intervention Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). All amounts are presented in £ sterling.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The charity maintains considerable assets and reserves. No material uncertainties exist about the ability of the charity to continue as a going concern and therefore the accounts are prepared on this basis.

1.3 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.4 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1.5 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 benefit will be required in settlement and the amount of the obligation can be measured reliably.

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 delivery of activities and those costs of an indirect nature necessary to support them.

EIF has a singular activity and therefore costs are allocated to delivery of projects or support costs.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities.

1 Accounting policies (cont'd)

In practice, support costs are recovered across charitable projects in line with funding agreements.

1.6 Pension costs

The charitable company operates two defined contribution pension scheme. Contributions payable to the scheme are charged to the Statement of Financial Activities in the period to which they relate.

1.7 Operating leases

The charity classifies the lease of property and office equipment as operating leases as title remains with the lessor. Rentals are charged on the straight line basis over the term of the lease through the Statement of Financial Activities.

1.8 Fund accounting

The funds of the charity consist of unrestricted, restricted and designated amounts. The amounts and purposes of each fund are set out in the notes to the financial statements. Funds are transferred between unrestricted and restricted funds when there is a deficit in a restricted fund or where permissions have been received to transfer funds to other projects.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

1.9 Tangible assets

Depreciation is calculated to write off the cost or valuation of fixed assets less residual value over their estimated useful lives at the following rates:-

Computer equipment – 33% straight line less residual value

Fixed assets are valued at cost less depreciation. No assets costing less than £5,000 are capitalised.

1.10 Debtors

Trade and accrued income are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 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 after allowing for any trade discounts due.

1.13 Financial instruments

The charity has financial assets and liabilities that qualify as basic financial instruments. The assets and liabilities include cash, debtors and creditors which have separate accounting policies above. The charity has no overdrafts or loans.

1.14 Taxation

The company is a registered charity and is therefore not liable to corporation tax or capital gains tax to the extent that its income and gains are applicable to charitable purposes only. The charity is using the small trading exemption as permitted.

2 Donations and legacies

	Unrestricted funds £	Restricted funds £	2018-19 Total £	Unrestricted funds £	Restricted funds £	2017-18 Total £
Donations	-	-	-	2,254	-	2,254
	-	-	-	2,254	-	2,254

3 Interest receivable

	Unrestricted funds £	Restricted funds £	2018-19 Total £	Unrestricted funds £	Restricted funds £	2017-18 Total £
Bank interest	7,057	-	7,057	5,808	-	5,808
	7,057	-	7,057	5,808	-	5,808

Early Intervention Foundation
Notes to the Financial Statements
For the Year Ended 31 March 2019

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2018-19 Total £	Unrestricted funds £	Restricted funds £	2017-18 Total £
Grants from central government:						
Department for Education	-	-	-	-	81,059	81,059
Cross Government Grant 2016/17	-	-	-	-	81,059	81,059
Department for Education	-	194,998	194,998	-	871,366	871,366
Cross Government Grant 2017/18	-	194,998	194,998	-	871,366	871,366
Department for Education	-	570,000	570,000	-	-	-
Department for Work and Pensions	-	500,000	500,000	-	-	-
Public Health England	-	100,000	100,000	-	-	-
Minister for Housing, Communities and Local Government	-	100,000	100,000	-	-	-
Cross Government Grant 2018/19	-	1,270,000	1,270,000	-	-	-
Home Office	-	-	-	-	75,000	75,000
Public Health England	-	200	200	-	34,000	34,000
Balance c/fwd	-	1,465,198	1,465,198	-	1,061,425	1,061,425

Early Intervention Foundation
Notes to the Financial Statements
For the Year Ended 31 March 2019

4 Income from charitable activities (cont'd)

	Unrestricted funds £	Restricted funds £	2018-19 Total £	Unrestricted funds £	Restricted funds £	2017-18 Total £
Balance b/fwd	-	1,465,198	1,465,198	-	1,061,425	1,061,425
Grants from trusts and research councils						
Local Government Association	-	-	-	15,000	-	15,000
Battersea Power Station Foundation	-	61,776	61,776	50,248	-	50,248
Joseph Rowntree Foundation	-	-	-	60,000	-	60,000
Institute of Fiscal Studies	-	-	-	4,000	-	4,000
Economic and Social Research Council	-	17,010	17,010	-	-	-
	-	78,786	78,786	129,248	-	129,248
Other sources:						
Contracts with charitable purposes	87,108	-	87,108	154,253	-	154,253
Conferences and events	2,491	-	2,491	43,027	-	43,027
Other income	4,855	-	4,855	39,237	-	39,237
	94,454	1,543,984	1,638,438	365,765	1,061,425	1,427,190

The Cross Government Grant is funded by the Department for Education (DfE); Department for Work and Pensions (DWP); Public Health England (PHE) and the Ministry for Housing, Communities and Local Government (MHCLG).

Within the above amounts are government grants of £1,465,198 (2018: £1,076,425). The only contingency related to government grants recognised is an audit of the statement of income and expenditure for the funds.

The work we have undertaken in 2018-19 would not have been possible without the support of our funders. Accordingly we would like to extend our thanks to all these organisations for their support.

5 Expenditure from charitable activities

	Unrestricted funds £	Restricted funds £	2018-19 Total £	Unrestricted funds £	Restricted funds £	2017-18 Total £
Direct costs						
Staff costs	42,924	1,121,476	1,164,400	199,622	872,858	1,072,480
Venue costs	-	6,792	6,792	2,522	-	2,522
Comms and marketing	-	39,693	39,693	57,399	-	57,399
Running costs	689	32,249	32,938	19,463	-	19,463
Project direct costs	30,027	165,721	195,748	-	188,567	188,567
HR costs	40,230	45,888	86,118	60,205	-	60,205
	113,870	1,411,819	1,525,689	339,211	1,061,425	1,400,636
Support costs						
Accountancy	1,556	24,164	25,720	24,168	-	24,168
Infrastructure costs	29,006	38,099	67,105	41,550	-	41,550
Premises costs	22,431	66,982	89,413	86,487	-	86,487
	52,993	129,245	182,238	152,205	-	152,205
Governance costs						
Audit fee	2,000	2,920	4,920	5,880	-	5,880
Trustee expenses	658	-	658	1,342	-	1,342
Legal fees	11,493	-	11,493	13	-	13
	14,151	2,920	17,071	7,235	-	7,235
	181,014	1,543,984	1,724,998	498,651	1,061,425	1,560,076

6 Wages and salaries

Employment costs	2018-19	2017-18
	£	£
Wages and salaries	1,020,780	754,309
Social security costs	105,137	96,975
Other pension costs	38,483	32,629
	<u>1,164,400</u>	<u>883,913</u>

Number of employees

The average monthly number of employees during the year was:

	2018-19	2017-18
Employees	21	19
	<u>21</u>	<u>19</u>

The number of employees whose annual emoluments were £60,000 or more were:

	2018-19	2017-18
	number	number
£60,000 - £70,000	3	4
£70,001 - £80,000	3	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£100,001 - £110,000	1	-
	<u>8</u>	<u>6</u>

Employer's pension contributions for these employees amounted to £29,302 (2018: £21,597)

The key management personnel of the charity comprise the Trustees, the Chief Executive Officer, the Director of Finance and Operations and the Directors of Evidence and Policy and Practice. For 2019-20 this will also include the Director of Evidence and Evaluation for the Youth Endowment Fund.

Key management personnel remuneration amounted to £359,134 (2018: £384,088).

7 Trustee remuneration and benefits

The charity Trustees were not paid and did not receive any other benefits as Trustees of the charity in the year (2018: £nil). Two Trustees were reimbursed travel expenses of £658 during the year (2018: Two Trustees reimbursed travel expenses of £1,640).

8 Related party transactions

There were no related party transactions for the year ended 31 March 2019 (2018: none).

9 Net income for the year before transfers

	2018-19	2017-18
	£	£
This is stated after charging:		
Other operating leases	89,413	86,487
Auditors remuneration - audit services	4,920	4,560
Auditors remuneration - accounts	-	1,320
	<u> </u>	<u> </u>

10 Tangible assets

	Computer Equipment	Total
	£	£
Cost		
At 1 April 2018 and 31 March 2019	<u>4,717</u>	<u>4,717</u>
Depreciation		
At 1 April 2018 and 31 March 2019	<u>4,717</u>	<u>4,717</u>
Net book value		
At 1 April 2018 and 31 March 2019	<u> </u>	<u> </u>

Early Intervention Foundation
Notes to the Financial Statements
For the Year Ended 31 March 2019

11 Debtors

	2019	2018
	£	£
Trade debtors	51,075	202,652
Prepayments and accrued income	337,523	26,794
	<u>388,598</u>	<u>229,446</u>

12 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	47,507	42,861
Accruals	43,470	47,582
Deferred income	40,000	257,255
Social security	30,374	29,214
VAT	1,577	19,659
Other creditors	12,155	9,133
	<u>175,083</u>	<u>405,704</u>

Deferred income

	2019	2018
	£	£
Deferred income brought forward	257,255	222,367
Released in year	(257,255)	(222,367)
Received in year	40,000	257,255
	<u>40,000</u>	<u>257,255</u>

Amounts deferred to 2019/20:

	2019	2018
	£	£
Cross Government Grant 2017/18	-	195,000
Battersea Power Station Foundation	40,000	62,255
	<u>40,000</u>	<u>257,255</u>

13 Funds

Movement in funds – 2018-19

	Opening balance 1st April 2018	Incoming resources	Resources expended	Transfers	Closing balance 31st Mar 2019
	£	£	£	£	£
Restricted funds					
Public Health England	-	200	(200)	-	-
What Works Infrastructure	-	704,998	(704,998)	-	-
Early Years	-	210,000	(210,000)	-	-
Reducing Parental Conflict	-	250,000	(250,000)	-	-
Mental Health and Wellbeing	-	125,000	(125,000)	-	-
Protecting Vulnerable Children	-	175,000	(175,000)	-	-
Battersea Power Station Foundation	-	61,776	(61,776)	-	-
Economic and Social Research Council	-	17,010	(17,010)	-	-
Total restricted funds	-	1,543,984	(1,543,984)	-	-
Unrestricted funds					
General	947,810	101,511	(181,014)	145,000	1,013,307
Designated fund	750,000	-	-	(145,000)	605,000
Total unrestricted funds	1,697,810	101,511	(181,014)	-	1,618,307
Total funds	1,697,810	1,645,495	(1,724,998)	-	1,618,307

Unrestricted funds

The charity has £1,618,307 of unrestricted funds remaining at the year end. Such funds have arisen historically from start-up and sustainability grant funding and from corporate donations. The funds are available to support EIF's general charitable purpose at the discretion of the Trustees. The level of reserves is considered annually and managed by the charity's reserves policy. In 2018-19 unrestricted funds have increased by £65,497 after taking account of transfers from designated funds.

Designated funds

In 2016-17 the Trustees established the Special Project Fund, ring-fencing £750,000 of unrestricted reserves to future projects in support of the organisation's strategy. In 2018-19 the first two projects were funded from this reserve at a total cost of £145,000. The first was the creation of an Impact Measurement Framework for internal use in evaluating the success and influence of project work. The second was a report designed to make the case for Early Intervention titled "Realising the Potential of Early Intervention". This latter was launched to stakeholders and published on the charity's website in October 2018. Expenditure from the Special Project Fund is decided annually by Trustees as and when suitable initiatives are identified that cannot be funded from other sources.

13 Funds (cont'd)

Restricted funds

2018-19

In 2018-19 the charity received £1.27m in cross government grant funding, commissioned via the Department of Education (DfE) and including contributions from Department for Work and Pensions, Ministry for Housing, Communities and Local Government and Public Health England. Projects associated with this grant are grouped together in thematic areas including:-

- What Works Infrastructure – a budget for the general support for EIF’s work programme, stakeholder management and communications, including the maintenance and expansion of the EIF Guidebook.
- Early Years projects
- Projecting Vulnerable Children projects
- Mental Health and Wellbeing projects
- Interparental Relationships projects

Further details of the annual work programme are outlined in our Achievements and Performance in the Trustee’s report.

In 2018-19 the charity also recognised £194,998 of income which had been granted the previous financial year but deferred due to delays in completing project work. All projects, the majority of which related to the themes of Early Years and Protecting Vulnerable Children, were completed within the first quarter of 2018-19.

In addition to the cross-government grant the charity also received funding from Battersea Power Station Foundation in respect of work on Youth and Gang Violence. It was also granted funding by the European Social Research Council to work on Social and Emotional Learning in a manner complementary to other work funded by the UK government.

13 Funds (cont'd)

Movement in funds – 2017-18

	Opening balance 1st April 2017 £	Incoming resources £	Resources expended £	Transfers £	Closing balance 31st Mar 2018 £
Restricted funds					
Home Office	-	75,000	(75,000)	-	-
Public Health England	-	34,000	(34,000)	-	-
What Works Infrastructure	-	359,425	(359,425)	-	-
Early Years	-	225,000	(225,000)	-	-
Reducing Parental Conflict	-	213,000	(213,000)	-	-
Mental Health and Wellbeing	-	66,000	(66,000)	-	-
Protecting Vulnerable Children	-	89,000	(89,000)	-	-
Total restricted funds	-	1,061,425	(1,061,425)	-	-
Unrestricted funds					
General	1,072,634	373,827	(498,651)	-	947,810
Designated fund	750,000	-	-	-	750,000
Total unrestricted funds	1,822,634	373,827	(498,651)	-	1,697,810
Total funds	1,822,634	1,435,252	(1,560,076)	-	1,697,810

2017-18

In 2017-18 the charity received £1m in cross government funding, commissioned via the Department of Education (DfE) and including contributions from Department for Work and Pensions and Public Health England. This single grant was for work undertaken across a range of project areas.

Projects associated with this grant are grouped together in thematic areas including:-

- What Works Infrastructure – a budget for the general support for EIF’s work programme, stakeholder management and communications, including the maintenance and expansion of the EIF Guidebook.
- Early Years projects
- Projecting Vulnerable Children projects
- Mental Health and Wellbeing projects
- Interparental Relationships projects

Further details of the annual work programme are outlined in our Achievements and Performance in the Trustee’s report of 2017-18.

At the year ending 31st March 2018, £194,998 of this grant had been received but not spent and was carried over to 2018-19 as deferred income.

14 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2019 Total £	Unrestricted funds £	Restricted funds £	2018 Total £
Tangible fixed assets	-	-	-	-	-	-
Current assets	1,793,390	-	1,793,390	2,103,514	-	2,103,514
Current liabilities	(175,083)	-	(175,083)	(405,704)	-	(405,704)
	<u>1,618,307</u>	<u>-</u>	<u>1,618,307</u>	<u>1,697,810</u>	<u>-</u>	<u>1,697,810</u>

15 Financial commitments

At 31 March 2019 the charity was committed to making the following payments under non-cancellable operating leases:

Land and buildings

	2019 £	2018 £
Operating lease which expire:		
Within one year	69,625	87,947
Within two and five years	-	69,625
More than five years	-	-
	<u>69,625</u>	<u>157,572</u>

