

THE STEFANOU FOUNDATION
(A company limited by guarantee and registered charity)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

THE STEFANOU FOUNDATION
(A company limited by guarantee and registered charity)

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THE STEFANOUE FOUNDATION

(A company limited by guarantee and registered charity)

**CHARITY REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2019**

Trustees	Philip Fellowes-Pryne Adam Shutkever Baroness Stedman-Scott OBE, DL (resigned 3 September 2019) Stelio Stefanou OBE, DL, Chairman Susie Stefanou Dame Linda Homer
Company registered number	06713945
Charity registered number	1126459
Registered office	4 Meadway Court Rutherford Close Stevenage SG1 2EF
Company Secretary	Susie Stefanou
Senior Leadership Team	Amanda McIntyre, Director, The Stefanou Foundation Elaine Fulton, Director of Social Investment Judith Rees, Director, For Baby's Sake
Independent Examiner	Chris Harris CPFA MHA MacIntyre Hudson Chartered Accountants New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ

THE STEFANOUE FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The Trustees present their annual report together with the financial statements of The Stefanoe Foundation for the year 1 April 2018 to 31 March 2019. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), 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) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the Charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Reference and administrative details

a. Name of charity, registration numbers and address

The Stefanoe Foundation is a registered charity (1126459) and company limited by guarantee (6713945). Its principal and registered office address is: 4 Meadway Court, Rutherford Close, Stevenage, SG1 2EF. The Stefanoe Foundation's flagship programme to break the cycle of domestic abuse and give babies the best possible start in life is known as *For Baby's Sake*.

b. Trustees

All the Trustees listed below were already Trustees at the start of the reporting period. Unless otherwise stated, they were still Trustees on the date when this report was signed:

- Stelio H Stefanoe (Chairman)
- Philip Fellowes-Pryne
- Lin Homer
- Adam Shutkever
- Debbie Stedman-Scott (until 3 September 2019)
- Susie Stefanoe

In September 2019, Baroness Stedman-Scott resigned from the Board of Trustees upon taking up a Ministerial position in the UK Government. The Trustees record their grateful thanks to Baroness Stedman-Scott for her passionate support for the work of the Foundation and her commitment to working with those whose past was disadvantaged, to enable them to build positive futures and transformed life-chances for themselves and their families.

c. Senior Leadership Team

The Senior Leadership Team, to whom the Trustees delegate day to day management and from whom they take advice are:

- Amanda McIntyre (Director)
- Elaine Fulton (Director of Social Investment)
- Judith Rees (Director, *For Baby's Sake*)
- Sarah Lloyd (Director of Fundraising, 4 March 2019 – 23 July 2019)

Sarah Lloyd joined the Senior Leadership Team as the Foundation's first Director of Fundraising for a few months before personal circumstances meant that she needed to resign. She made a remarkable contribution in a short period. The Trustees on behalf of themselves, the Senior Leadership Team and the whole staff team warmly record their gratitude to Sarah for putting in place firm foundations on which to build.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

d. Providers of banking services or professional advice

During the period covered by this report, the Foundation has bought in financial or legal services or advice to the Board from the following individuals or organisations and is grateful for their support:

Nature of support	Provider
Independent Safeguarding Advisor to the Trustees	Jon Chapman, PS3 Safeguarding Ltd
Banking	Coutts Bank, 2nd Floor 440 Strand London WC2R 0QS
Investment management	Cazenove Capital, 1 London Wall Place, London EC2Y 5AU
Accountants	Macintyre Hudson, New Bridge Street House, 30 – 34 New Bridge Street, London, EC4V 6BJ
Legal advice	Bates Wells, 10 Queen Street Place, London, EC4R 1BE

The Board is also grateful to Weil, Gotshal & Manges (110 Fetter Lane, London EC4A 1AY), notably to Rob Powell, Head of Pro Bono and CSR, for being willing to provide pro bono legal advice where possible.

Objectives and Activities

a. Purposes of the charity

As set out in the Memorandum of Association, the objects for which the Charity was formed are for charitable activity in the furtherance of such exclusively charitable purposes as the Trustees may in their absolute discretion determine.

The Charity's primary objective is to promote the well-being of the very young and very old. The Foundation's current focus is on the very young, which is reflected in its major programme, *For Baby's Sake*. The Foundation also undertakes wider strategic work to influence policy, practice and system change, as part of its commitment to a catalytic model of philanthropy.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

b. Strategic objectives for 2018-19

These accounts cover the period from April 2018 to March 2019. This period spanned the fourth year of delivering *For Baby's Sake*: the Foundation's innovative programme for expectant parents who want to break the cycle of domestic abuse and give their baby the best start in life. This programme was launched in April 2015 as two prototype projects, based in Hertfordshire (covering the areas of Stevenage, North Hertfordshire and Welwyn Hatfield) and London (spanning Westminster, Kensington & Chelsea and Hammersmith & Fulham).

The Foundation's strategic priorities for the year 2018-19 combined an operational focus on continuing the successful implementation of *For Baby's Sake* with a developmental focus on the scale-up and roll-out of the programme. It was momentous to launch our third project in August 2019 in Cambridgeshire, through a collaborative agreement with Cambridgeshire County Council.

For Baby's Sake addresses the Foundation's main aim of protecting vulnerable infants. The programme also embodies the Foundation's model of philanthropy, which is to act as a catalyst, helping to build the capacity to address the root causes of deep-seated economic and social problems and avoidable costs to the public purse, by working with partners to develop earlier, more effective and efficient interventions. Sharing the learning from *For Baby's Sake* is one important way of fulfilling the Foundation's catalytic remit. It was exciting to take the learning to international audiences this year and the response confirmed the weight of the Foundation's innovation and expertise.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

Activities, achievements and performance

One in five children in the UK experience domestic abuse and this can have a profound impact on the rest of their lives. Babies are particularly affected, while they are in the womb and until the age of two. The stress of domestic abuse affects the development of their brains and bodies. It also makes it harder for their parents and caregivers to give them the consistent and loving care they need to thrive, especially if the parents did not receive such care during their own childhoods. Babies who experience this sort of adversity are more likely to experience mental health issues, to struggle at school, to become involved in substance misuse and criminal behaviour and to experience domestic abuse or be abusive themselves in later life - continuing the cycle of poor outcomes and lost opportunity across generations. This scientific evidence led the Stefanou Foundation to create *For Baby's Sake*, offering intensive support, free at the point of delivery and lasting up to two and a half years, for expectant parents where there is domestic abuse or violence in their relationship. Both mother and father join the programme during pregnancy and may be supported until their baby reaches the age of two.

This report covers the fourth year of operating *For Baby's Sake*. By the end of the reporting period in March 2019, the programme had engaged with over 550 individuals across Hertfordshire and London, including over 150 babies along with their mothers, fathers, brothers and sisters. The Foundation continued to learn about how best to support families to make deep changes in their lives and relationships, particularly their complex needs as adults and the traumatic adversity they had experienced during childhood. Notably, the Foundation reflected on the importance of supporting the parents to overcome any feelings of shame, which might otherwise prevent them from making progress. As Professor Brené Brown says, 'Shame works like the zoom lens on a camera. When we are feeling shame, the camera is zoomed in tight and all we see is our flawed selves, alone and struggling.' During the year, the Foundation created a 'shame lens' perspective of how *For Baby's Sake* works, articulating how the therapeutic techniques give the parents what they need to process feelings of shame and hurt relating to their past trauma and to build resilience for themselves and their children.

The trauma-informed approach of *For Baby's Sake* was central to the exciting approach from Blackpool Better Start Partnership to bring the programme to the town. Blackpool was one of five places chosen by the National Lottery Community Fund to receive 10 years' funding (from 2015 to 2025) to test new ways of strengthening early childhood support for families, to give babies the best start in life. The Blackpool Better Start Partnership took the neuroscience of how babies' brains develop as its starting point, making *For Baby's Sake* an ideal fit. Work on a collaborative agreement intensified during the year and we are thrilled to report that an agreement was signed in July 2019 between the Stefanou Foundation and Blackpool Council on behalf of Blackpool Better Start Partnership. The staff team is now in place, employed by Blackpool Council, with the Foundation and the Council both inputting to supervision and jointly managing the team manager. Training is already underway and the team will be recruiting families from early 2020.

This progress builds on our ground-breaking collaboration with Cambridgeshire County Council, which marked the beginning of the roll-out of *For Baby's Sake*. Following the signing of the collaborative agreement between the County Council and the Foundation in October 2018, work intensified to mobilise the new site, including staff recruitment and training and the confirmation of referral pathways. In August 2019, *For Baby's Sake* opened its doors to families in Cambridge City, South and East Cambridgeshire. An event took place in November 2019, when the Foundation's Chairman, Stelio Stefanou and Cambridgeshire and Peterborough Councils' Executive Director for People and Communities, Wendi Ogle-Welbourn, jointly celebrated the launch, thanking the *For Baby's Sake* team and all those involved. By that time, the team was already working with nine families, marking an excellent start and an ideally paced build-up of the caseload. The Cambridgeshire project has been created through an innovative collaborative agreement, including a 50/50 funding partnership between the County Council and philanthropic resources. The staff are employed by the County Council under joint management and supervision arrangements with the Foundation, which have been replicated in the partnership with Blackpool.

For Baby's Sake continues to generate valuable learning and the Foundation's model of catalytic philanthropy includes using this learning to have a strategic influence over wider policy, practice and system change. One example of contributing to practice is the Foundation's contribution to the development of a new 'Parent and Baby Star,' for parents who may need extra support in the perinatal period.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The star tool can help parents to identify where they are doing well, where they would like support and the progress they have made over time. This accredited tool was developed by Triangle Social Enterprise in collaboration with the Stefanoe Foundation, East and North Hertfordshire Clinical Commissioning Group, Herts Valleys Clinical Commissioning Group and Hertfordshire County Council.

A peer-reviewed academic paper on *For Baby's Sake*, written jointly by King's College London and the Foundation, was published in the international Journal of Family Violence in January 2019. This was the first full paper on *For Baby's Sake* to appear in the scientific press. Its open access status means that it can be downloaded freely, giving global access to lessons from the design and early implementation of the programme by the Foundation and also to preliminary findings from the independent evaluation of *For Baby's Sake* by King's College London (ahead of their final report, due to launch in early 2020). Previously, in May 2018, the Foundation and King's College London presented a joint poster workshop to the World Association of Infant Mental Health (WAIMH) Congress in Rome. The positive response to these two international contributions illustrates how *For Baby's Sake* is gaining traction across the fields of domestic abuse and early infant development.

The academic posters for WAIMH by King's College London included quotes from parents participating in their independent evaluation of the programme, which resonated with twin aims of *For Baby's Sake* of breaking the cycle of domestic abuse and giving babies the best start in life. One parent, looking back, said, "I think because I've seen it growing up, I've come to realise, going through a lot of this stuff, that maybe I thought it was normal." Another parent, looking forward, explained his motivation to join *For Baby's Sake*, saying "I can learn to be a better father, really. Better than my dad was."

Financial review

a. Results for the year

The accounts for this period, April 2018 to March 2019, provide separate information on the Foundation's three distinct areas of charitable activity: *For Baby's Sake*; Strategic Influence (covering the Foundation's contribution to the development of policy, practice and system change); and Projects and Grants (which are shown separately in the accounts, though constitute a very small proportion of the Foundation's work). *For Baby's Sake* is a Restricted Fund, giving visibility to the costs and funding of the programme and also offering assurance to philanthropists and other partners that when they donate to *For Baby's Sake*, the funding will only be used for this purpose. This accounting treatment is fundamental as the Foundation looks to scale up and roll out the programme and launches fundraising campaigns to achieve this goal.

The Charity achieved income of £926,908 in this accounting period from April 2018 to March 2019 (overwhelmingly comprising philanthropic donations from the Foundation's Chairman) and spent £1,122,374. The comparative figures for the previous year were income of £616,793 and spending of £1,152,397.

By far the biggest component of spending in 2018-19, totalling £989,044, was *For Baby's Sake*. This total included costs incurred at the two prototype sites, which in total employed fourteen people, and the continuing investment in the development and external evaluation of the programme.

Given the Foundation's model of philanthropy, it rarely makes external grants, though grants are shown separately in the accounts for the sake of transparency. In the 2018-19 accounting period, the Foundation made one donation of £250 to a local community group in Welwyn Garden City that organises Christmas lunch for lonely or elderly local people.

The Foundation has settled well into its new offices in Stevenage, having moved in October 2018. The move from Welwyn Garden City was necessitated by a request from the landlord there that the Foundation terminate its lease early, to facilitate changes to the building. The Foundation agreed, subject to being able to find suitable alternative accommodation and receiving whatever financial support would be necessary for the move to be cost-neutral up until February 2021. The Foundation is grateful to the Brookvale Properties team for their recognition of the Foundation's needs and the care that was taken over the high quality refurbishment of the new offices. The Foundation is also grateful to the legal team at Kerman & Co for their support related to the office move.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

b. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources and a strategy to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

c. Reserves policy

The Chairman has made a philanthropic commitment and the Trustees have adopted a reserves policy to ensure that the Foundation remains a going concern in the context of the substantial investment required to support the prototype phase of *For Baby's Sake*. The reserves policy agreed by the Trustees is to aim for most of the time to maintain reserves to cover six months' worth of the Foundation's expenditure. These reserves can include reserves restricted to *For Baby's Sake*, so long as the combination of restricted and unrestricted reserves provides funding available to cover six months' worth of spending in each of the Foundation's areas of activity: *For Baby's Sake* (drawing on restricted and unrestricted reserves); Strategic Influence and Projects and Grants (both drawing only on unrestricted reserves). Free reserves, those reserves which are unrestricted as to use and easily realisable, were £254,907 at end-March 2019 (end-March 2018 = £457,173). These reserves were considered by the Trustees to be satisfactory, especially in light of a pledge from the Chairman to donate further funds in the financial year 2019-2020, which has been honoured including through a donation of £500,000 in June 2019.

Plans for the future

The current period is pivotal as we draw to the end of the prototype phase of *For Baby's Sake* and approach the launch of the evaluation findings by King's College London. We are thrilled to have begun expanding already into two new areas. We are grateful to Cambridgeshire County Council, Blackpool Council and the Blackpool Better Start Partnership for inviting *For Baby's Sake* to Cambridgeshire and Blackpool and for allocating the financial resources that enabled us to work with them. We look forward to implementing and developing *For Baby's Sake* in collaboration with our new partners.

The quality of data and the ability to analyse it within and across *For Baby's Sake* sites is crucial to informing programme delivery and development. The Board is extremely grateful to Kim Technologies for their generous pro bono support in working with the Foundation to create a bespoke *For Baby's Sake* data platform. The team in Cambridgeshire is using it already and the Hertfordshire, London and Blackpool teams will be from 2020.

The Board of Trustees will be continuing to develop the scale-up strategy and prioritising fundraising. We would like to sustain the prototype sites in Hertfordshire and London and also aim to expand into more new localities, so that more babies and families can benefit from the chance to transform their lives. However, we cannot do this alone. Beyond the prototype phase, all sites including the original two prototype projects would require a financial contribution from public sector resources. We are also looking for entrepreneurial and forward-thinking philanthropists to come with us on the next stage of the *For Baby's Sake* journey.

Domestic abuse has a ripple effect - socially, economically and individually - and it can devastate lives, communities and our wider society. Alongside the opportunity to improve babies' lives now and enhance their life chances (and those of the babies they may have) in the future, *For Baby's Sake* has the potential to save money for the public purse in the short and longer term through breaking cycles of poor outcomes across generations. By reducing some of the £66 billion cost of domestic abuse to the UK every year, we are preventing wasted money as well as wasted lives.

Structure, governance and management

Constitution

The Charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 2 October 2008 and registered as a charity on 28 October 2008.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

a. Method of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

b. Organisational structure and decision making

The Trustees were recruited to provide the Charity with the necessary charity governance, commercial and management experience to meet its core objectives. In particular, Trustees were asked to:

- Be responsible for the strategic direction of the Charity, ensuring that it is well-run, achieves its goals and is adequately resourced
- Define the Charity's vision and goals
- Ensure the Charity complies with Charity Law and delivers the charitable outcomes for which it has been established
- Have an interest in the cause and bring a commitment of time, energy and networking to achieve goals
- Approve all grants made and programmes developed by the organisation
- Meet as a board at least three times per annum.

Policies have been agreed concerning the following areas:

- Application of Funds
- Appointment of Trustees
- Conflicts of Interest
- Investment Management
- Reserves
- Staff Handbook
- Safeguarding
- Data Protection, Information Security and Confidentiality (updated following extensive work to ensure compliance with GDPR legislation)
- Compliments, Comments and Complaints
- Gift Acceptance.

c. Policies and procedures for induction and training of Trustees

The Board of Trustees has fully undertaken its governance responsibilities throughout the year, including by thoroughly scrutinising the data and operational progress of For Baby's Sake. The Trustees are also actively involved in the strategic development of the Foundation, notably the strategy for scaling up and rolling out For Baby's Sake.

The induction programme and ongoing training of Trustees is designed to equip Trustees with the knowledge and understanding to fulfil these responsibilities. Trustees are well briefed on the evidence base underpinning the Foundation's work, to ensure they are able to ascertain that the work remains evidence-based.

The safeguarding of adults, babies and children is at the heart of the Foundation's work. The Board continues to value the support of its Independent Safeguarding Advisor, Jon Chapman, who has established a strong working

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

relationship with the Foundation and whose support includes safeguarding training for Trustees. The Foundation will be appointing at least one new Trustee in 2020 and the induction programme will include background briefings and an opportunity to visit at least one *For Baby's Sake* site to hear directly from the team about how the programme operates.

d. Arrangements for settling pay and remuneration of key management personnel

The Chairman settles pay awards for the Senior Leadership Team and indeed the whole staff team. Where new Senior Leadership posts are created, the Board of Trustees may also be involved in deciding the starting salary for the post. Decisions on pay are taken in light of benchmark data about annual pay awards across the voluntary and public sector and reviews of comparative salaries, to ensure that salaries are competitive and reflective of the demanding nature of the Foundation's work and the high calibre of staff at all levels, who deserve huge credit for what they are achieving

e. Review and management of risk

A risk register is maintained, covering the most significant risk and an explanation of the mitigating action for each risk. The risks are categorised as:


- Operational: for example, safeguarding risks to babies, children and adults related to domestic abuse or abuse or neglect of children; risks to staff; sensitive personal data breaches; loss of capacity through staff leaving
- Strategic: for example, failure to maximise the impact of *For Baby's Sake* for current and future generations, for reasons such as an insufficiently clear view of what would constitute success or a loss of fidelity to the programme's success factors
- Financial: for example, insufficient funds raised to enable the roll-out and scaling up of *For Baby's Sake*
- Reputational: for example, problems with the operational delivery of *For Baby's Sake* or failure to deliver on commitments or to achieve wider strategic influence

The register is reviewed at each Board meeting and updated in the light of latest actions and discussions at the Board meeting.

Fundraising standards information

The expansion and development of *For Baby's Sake* requires the Foundation to begin fundraising and the Foundation has begun to put the foundations in place, notably by developing and approving a Gift Acceptance Policy, registering with the Fundraising Regulator and starting to research and develop the case for support.

This report was approved by the Trustees, on 18 December 2019 and signed on their behalf by:



Stelio Stefanou OBE
Chairman

THE STEFANOUE FOUNDATION

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**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE STEFANOUE FOUNDATION (the
'Charity')**

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 31 March 2019.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants of England and Wales, which is one of the listed bodies.

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:



Dated:

19 December 2019

CHRIS HARRIS CPFA

MHA MacIntyre Hudson

Chartered Accountants
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

THE STEFANOU FOUNDATION**(A company limited by guarantee and registered charity)****STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted funds 2019 £	For Baby's Sake Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:					
Donations and grants	2	88	925,000	925,088	614,166
Investments	3	1,820	-	1,820	2,627
TOTAL INCOME		1,908	925,000	926,908	616,793
EXPENDITURE ON:					
Raising funds	4	44	250	294	666
Charitable activities	5	133,286	988,794	1,122,080	1,151,731
TOTAL EXPENDITURE		133,330	989,044	1,122,374	1,152,397
NET EXPENDITURE BEFORE TRANSFERS		(131,422)	(64,044)	(195,466)	(535,604)
Transfers between Funds	15	(64,044)	64,044	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(195,466)	-	(195,466)	(535,604)
NET MOVEMENT IN FUNDS		(195,466)	-	(195,466)	(535,604)
RECONCILIATION OF FUNDS:					
Total funds brought forward		458,427	-	458,427	994,031
TOTAL FUNDS CARRIED FORWARD		262,961	-	262,961	458,427

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

The notes on pages 13 to 26 form part of these financial statements.

THE STEFANOUE FOUNDATION**(A company limited by guarantee and registered charity)****REGISTERED NUMBER: 06713945**

**BALANCE SHEET
AS AT 31 MARCH 2019**

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	12		8,054		1,254
CURRENT ASSETS					
Debtors	13	36,835		12,420	
Cash at bank and in hand		293,711		468,339	
		<u>330,546</u>		<u>480,759</u>	
CREDITORS: amounts falling due within one year	14	(75,639)		(23,586)	
NET CURRENT ASSETS			254,907		457,173
NET ASSETS			<u>262,961</u>		<u>458,427</u>
CHARITY FUNDS					
Unrestricted funds	15		262,961		458,427
TOTAL FUNDS			<u>262,961</u>		<u>458,427</u>

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

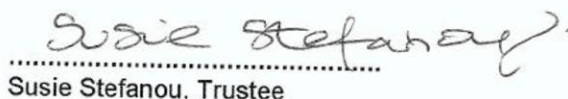
The Trustees consider that the Charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Charity to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 19 December 2019 and signed on their behalf, by:



Stelio Stefanou OBE, DL, Chairman



Susie Stefanou, Trustee

The notes on pages 13 to 26 form part of these financial statements.

THE STEFANOU FOUNDATION**(A company limited by guarantee and registered charity)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	17	<u>(168,345)</u>	<u>(535,555)</u>
Cash flows from investing activities:			
Interest from investments		1,820	2,627
Purchase of tangible fixed assets		<u>(8,103)</u>	<u>-</u>
Net cash (used in)/provided by investing activities		<u>(6,283)</u>	<u>2,627</u>
Change in cash and cash equivalents in the year		(174,628)	(532,928)
Cash and cash equivalents brought forward		<u>468,339</u>	<u>1,001,267</u>
Cash and cash equivalents carried forward	18	<u><u>293,711</u></u>	<u><u>468,339</u></u>

The notes on pages 13 to 26 form part of these financial statements.

THE STEFANOUE FOUNDATION

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**1.1 General information and basis of preparation**

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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Stefanou 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.

1.2 Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.3 Income recognition

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.4 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes all costs incurred on furthering the objects of the Charity; and
- Expenditure on raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Charity's operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

1.5 Support costs allocation

Support costs are those that assist the work of the Charity in fulfilling its charitable activities and include central office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity and include elements of project management and administration carried out at the central office. Where support costs cannot be directly attributed to particular headings they have been allocated to expenditure on raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Governance costs are those incurred in connection with the running of the Charity and compliance with constitutional and statutory requirements.

The analysis of these costs is included in Note 7.

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	20% of cost
Office equipment	-	33% of cost

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.7 Debtors and creditors receivable / payable within one year

Debtors are recognised when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Creditors are recognised when the Charity has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

1.8 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.9 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.10 Tax

The Charity is an exempt Charity within the meaning of schedule 3 of the Charities Act 2011 and 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. It therefore does not suffer tax on income or gains applied for charitable purposes.

1.11 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

1.12 Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- Allocation of support costs
- Depreciation rates for tangible fixed assets
- Useful economic lives of assets

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FOR THE YEAR ENDED 31 MARCH 2019

2. INCOME FROM DONATIONS AND GRANTS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	-	925,000	925,000	612,500
Sponsorship donations	88	-	88	1,666
Total 2019	88	925,000	925,088	614,166
Total 2018	614,166	-	614,166	

INCOME FROM DONATIONS AND GRANTS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Donations	612,500	-	612,500
Sponsorship donations	1,666	-	1,666
Total 2018	614,166	-	614,166

3. INCOME FROM INVESTMENTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	1,820	-	1,820	2,627
Total 2018	2,627	-	2,627	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

4. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2019 £	For Baby's Sake Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment management costs	44	250	294	666
Total 2018	666	-	666	

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES - CURRENT YEAR

	Activities undertaken directly 2019 £	Grant funding of activities 2019 £	Support costs 2019 £	Total 2019 £	Total 2018 £
For Baby's Sake	882,570	-	106,224	988,794	1,022,747
Strategic Influence	99,726	-	16,260	115,986	70,206
Project and Grants	14,553	250	2,497	17,300	58,778
Total 2019	996,849	250	124,981	1,122,080	1,151,731
Total 2018	1,037,169	2,250	112,312	1,151,731	

In the prior year, charitable activity Strategic Influence was known as Strategic Development.

Direct costs are analysed in Note 6.

Support costs are analysed in Note 7.

ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES - PRIOR YEAR

	Activities undertaken directly 2018 £	Grant funding of activities 2018 £	Support costs 2018 £	Total 2018 £
For Baby's Sake	927,285	-	95,462	1,022,747
Strategic Influence	64,589	-	5,617	70,206
Project and Grants	45,295	2,250	11,233	58,778
Total 2018	1,037,169	2,250	112,312	1,151,731

THE STEFANOUE FOUNDATION**(A company limited by guarantee and registered charity)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019****6. ANALYSIS OF DIRECT COSTS - CURRENT YEAR**

	For Baby's Sake £	Strategic Influence £	Project and Grants £	Total 2019 £	Total 2018 £
Consultants' fees and charges	97,896	-	-	97,896	104,016
Travel, hospitality, other staff costs	18,022	7,533	3	25,558	22,460
Training and conferences	3,318	2,986	-	6,304	14,875
Memberships and subscriptions	198	3,110	-	3,308	221
Marketing and communications	85	122	-	207	25,380
Recruitment	14	-	-	14	2,294
Project or operational resources	3,906	43	-	3,949	7,008
IT, telecomms, mobile phones	5,918	463	34	6,415	6,212
Administration, office and accommodation	12,795	148	-	12,943	19,892
Professional fees	108	-	8,196	8,304	160
Staff costs	739,606	84,970	6,294	830,870	832,949
Depreciation	704	351	26	1,081	1,702
Total 2019	882,570	99,726	14,553	996,849	1,037,169
Total 2018	927,285	64,589	45,295	1,037,169	

ANALYSIS OF DIRECT COSTS - PRIOR YEAR

	For Baby's Sake 2018 £	Strategic Influence 2018 £	Project and Grants 2018 £	Total 2018 £
Consultants' fees and charges	104,016	-	-	104,016
Travel, hospitality, other staff costs	14,414	7,568	478	22,460
Training and conferences	14,326	528	21	14,875
Memberships and subscriptions	205	9	7	221
Marketing and communications	23,333	2,047	-	25,380
Recruitment	2,294	-	-	2,294
Project or operational resources	6,952	-	56	7,008
IT, telecomms, mobile phones	5,552	412	248	6,212
Administration, office and accommodation	19,864	19	9	19,892
Professional fees	160	-	-	160
Staff costs	735,118	53,649	44,182	832,949
Depreciation	1,051	357	294	1,702
Total 2018	927,285	64,589	45,295	1,037,169

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

7. ANALYSIS OF SUPPORT COSTS - CURRENT YEAR

	For Baby's Sake £	Strategic Influence £	Project and Grants £	Total 2019 £	Total 2018 £
Consultant's fees and charges	2,142	328	50	2,520	4,500
Travel, hospitality, other staff costs	127	19	3	149	162
Training and conferences	119	18	2	139	-
Memberships and subscriptions	1,389	212	33	1,634	2,780
Marketing and communications	-	15	-	15	-
Recruitment	5,049	772	119	5,940	-
IT, telecomms, mobile phones	8,033	1,229	189	9,451	8,138
Administration, office and accommodation	37,599	5,751	884	44,234	28,936
Professional fees	2,152	329	50	2,531	2,323
Bank interest and charges	585	89	14	688	613
Governance costs	3,366	515	79	3,960	4,500
Staff costs	45,474	6,954	1,070	53,498	59,961
Depreciation	189	29	4	222	399
Total 2019	<u>106,224</u>	<u>16,260</u>	<u>2,497</u>	<u>124,981</u>	<u>112,312</u>
Total 2018	<u>95,462</u>	<u>5,617</u>	<u>11,233</u>	<u>112,312</u>	

Governance costs are analysed in Note 8.

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ANALYSIS OF SUPPORT COSTS - PRIOR YEAR

	For Baby's Sake 2018 £	Strategic Influence 2018 £	Project and Grants 2018 £	Total 2018 £
Consultants' fees and charges	3,825	225	450	4,500
Travel, hospitality, other staff costs	137	9	16	162
Training and conferences	-	-	-	-
Memberships and subscriptions	2,360	139	281	2,780
Marketing and communications	-	-	-	-
Recruitment	-	-	-	-
Project or operational resources	-	-	-	-
IT, telecomms, mobile phones	6,917	407	814	8,138
Administration, office and accommodation	24,596	1,447	2,893	28,936
Professional fees	1,975	116	232	2,323
Bank interest and charges	521	31	61	613
Governance costs	3,825	225	450	4,500
Staff costs	50,967	2,998	5,996	59,961
Depreciation	339	20	40	399
Total 2018	95,462	5,617	11,233	112,312

8. GOVERNANCE COSTS

	2019 £	2018 £
Independent Examiner's Remuneration - Independent Examination	3,600	3,600
Independent Examiner's Remuneration - under accrual of prior year fee	-	900
Other governance costs	360	-
Total	3,960	4,500

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets: - owned by the Charity	1,303	2,102
Independent Examiner's Remuneration	3,600	4,500

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

10. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES

The Trustees neither received nor waived any remuneration during the year (2018: £Nil).

During the current year no travel expenses were reimbursed to any Trustees (2018 - £Nil).

The total amount of employee benefits received by Key Management Personnel is £270,337 (2018 - £264,873). The Charity considers its Key Management personnel to comprise;

- Trustees
- Senior Leadership Team

11. STAFF COSTS

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	763,590	773,011
Social security costs	80,860	80,655
Other pension costs	39,918	39,244
	<u>884,368</u>	<u>892,910</u>

The average number of persons employed by the Charity during the year was as follows:

	2019 No.	2018 No.
For Baby's Sake	14	14
For Baby's Sake, Strategic Development and Projects & Grants	6	6
	<u>20</u>	<u>20</u>

The number of higher paid employees was:

	2019 No.	2018 No.
In the band £60,001 - £70,000	3	3

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 April 2018	38,096	29,316	67,412
Additions	1,171	6,932	8,103
Disposals	(765)	(10,174)	(10,939)
At 31 March 2019	38,502	26,074	64,576
Depreciation			
At 1 April 2018	37,222	28,936	66,158
Charge for the year	322	981	1,303
On disposals	(765)	(10,174)	(10,939)
At 31 March 2019	36,779	19,743	56,522
Net book value			
At 31 March 2019	1,723	6,331	8,054
At 31 March 2018	874	380	1,254

13. DEBTORS

	2019 £	2018 £
Other debtors	18,068	2,368
Prepayments	18,767	10,052
	36,835	12,420

14. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	52,445	-
Other Creditors	3,474	-
Accruals	19,720	23,586
	75,639	23,586

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**NOTES TO THE FINANCIAL STATEMENTS
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15. STATEMENT OF FUNDS**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2019 £
Designated funds					
Fixed Assets Fund	1,254	-	-	6,800	8,054
General funds					
General Fund	457,173	1,908	(133,330)	(70,844)	254,907
Total Unrestricted funds	458,427	1,908	(133,330)	(64,044)	262,961
Restricted funds					
For Baby's Sake	-	925,000	(989,044)	64,044	-
Total of funds	458,427	926,908	(1,122,374)	-	262,961

The Fixed Asset Fund represents the Charity's holding of fixed assets. Fixed assets are considered to be not easily realisable and so should not be represented by general funds. The fund balance carried forward is equal to the net book value of the fixed assets.

The *For Baby's Sake* Restricted Fund is exclusively for the delivery, evaluation and development of *For Baby's Sake*: the Foundation's major investment in its innovative programme to support expectant parents to bring an end to domestic abuse and create the best possible start in life for their babies.

The General Fund is unrestricted for use in any of the Foundation's activities. These include the 'Projects and Grants' area of work, encompassing modest grant giving and smaller scale projects. The General Fund also covers 'Strategic Influence' in line with the Foundation's model of catalytic philanthropy, encompassing for example contributing to public policy at local and national level. Sums from the General Fund are also available to help fund *For Baby's Sake* and in the 2018/19 financial year, £64,044 was transferred from the General Fund to the *For Baby's Sake* Restricted Fund.

In January and March 2019, the Foundation's Chairman made unrestricted donations totalling £925,000 into *For Baby's Sake* Restricted Fund.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

15. STATEMENT OF FUNDS (continued)**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
Fixed Assets Fund	6,181	-	(4,927)	-	1,254
General Fund	495,049	616,793	(124,723)	(529,946)	457,173
Restricted funds					
For Baby's Sake	492,801	-	(1,022,747)	529,946	-
Total of funds	994,031	616,793	(1,152,397)	-	458,427

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2019 £	For Baby's Sake Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	8,054	-	8,054
Current assets	330,546	-	330,546
Creditors due within one year	(75,639)	-	(75,639)
	<u>262,961</u>	<u>-</u>	<u>262,961</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	For Baby's Sake Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	1,254	-	1,254
Current assets	480,759	-	480,759
Creditors due within one year	(23,586)	-	(23,586)
	<u>458,427</u>	<u>-</u>	<u>458,427</u>

**17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING
ACTIVITIES**

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(195,466)	(535,604)
Adjustment for:		
Depreciation charges	1,303	2,102
Interest from investments	(1,820)	(2,627)
Decrease/(increase) in debtors	(24,415)	2,124
(Decrease)/increase in creditors	52,053	(1,550)
Net cash used in operating activities	<u>(168,345)</u>	<u>(535,555)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	293,711	468,339
Total	293,711	468,339

19. PENSION COMMITMENTS

The Charity offers to match each employee's pension contribution, up to 5% of their salary, into the defined contributions pension scheme of their choice, including but not limited to the workplace pension scheme. It also offers a salary sacrifice arrangement. Nineteen employees took the offer of a matched employer contribution and eight employees additionally took up the salary sacrifice offer. In all cases, the assets of the schemes chosen by the employees are held separately from the Charity in independently administered funds.

The Charity contributes to defined contribution pension schemes for its employees. The amount recognised as an expense in the period was £39,918 (2018 - £39,243). Contributions totalling £3,474 (2018: £Nil) were payable to the fund at the balance sheet date and are included within creditors.

20. OPERATING LEASE COMMITMENTS

At 31 March 2019 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts payable:		
Within 1 year	3,030	-
Between 1 and 5 years	121,200	-
After more than 5 years	129,252	-
Total	253,482	-

21. RELATED PARTY TRANSACTIONS

The Chairman, Mr Stefanou, contributed £19,104 (2018 - £13,852) towards the office costs in recompense for making personal use of the space while also working on behalf of the Charity. Trustee and Key Management Personnel transactions are detailed otherwise in Note 10.