



EAST HEAD  
**IMPACT**

HEALTH • EDUCATION • PLANET

## **First annual report and financial statements**

**For the period 8<sup>th</sup> October 2021 to 31<sup>st</sup>  
December 2022**

## Administrative details

### Trustees and Directors

Marc Boughton, Founder and Chair  
Jonathan Sykes  
Matthew Woods

Appointed	8 <sup>th</sup> October 2021
Appointed	8 <sup>th</sup> October 2021
Appointed	8 <sup>th</sup> October 2021

### Registered Office

c/o Withers LLP  
20 Old Bailey  
London  
EC4M 7AN

### Appointments

**Auditor:**

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9 Donnington Park  
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Chichester, PO20 7AJ

**Bankers:**

Coutts & Co  
440 Strand  
London, WC2R 0QS

**Investment Manager:**

J.P. Morgan  
60 Victoria Street  
London, EC4Y 0JP

**Legal Advisor:**

Withers LLP  
20 Old Bailey  
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## Chair's Report

I am proud and delighted to present East Head Impact's first Trustees Report and financial statements.

Sound health, access to a good education and sustainable employment on a thriving planet are vital to us all. East Head Impact's objectives are to deliver a quantifiable impact in these areas consistent with United Nations' Sustainability Development Goals, namely:

- Health: *to ensure healthy lives and promote well-being for all.*
- Education: *to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all; promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; and reduce inequality within and among countries.*
- The Planet: *to take urgent action to combat climate change and its impact; conserve and sustainably use the oceans, seas and marine resources; and protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, control desertification, and halt and reverse land degradation and biodiversity loss.*

East Head Impact's strategy will be driven by the data, supporting strong leaders in proven and impactful interventions that can be scaled, measured and provide superior returns. We will provide the charities we support with advice in addition to multi-year funding, and build networks and partnerships across the private, governmental and philanthropic sectors.

Highlights in 2022 have included:

- Charity Commission approval to establish East Head Impact as a registered UK charity.
- Bringing together a passionate and experienced leadership team.
- Receipt of a significant endowment.
- Developing a long-term investment strategy that will maintain the value of the endowment and sustain our charitable activities for the foreseeable future.
- Trustee approval of eight grants aggregating £583,250.

I am proud of what we have achieved together but there will always be so much more to do. We have made a strong start to 2023 by providing a multi-year grant to co-fund an exciting seascape project that will hopefully provide significant environmental benefits including biodiversity restoration along with the sequestration of blue carbon, nitrates and phosphates.

I would like to take this opportunity to thank my fellow trustees and our invaluable Head of Philanthropy and Operations for their support, advice and help in driving East Head Impact forward, together with the advice provided by our investment portfolio manager, investment fund managers, legal advisor, bankers and auditors.

Marc Boughton  
Founder and Chair  
June 2023

# Trustees' Report

## For the period 8<sup>th</sup> October 2021 to 31<sup>st</sup> December 2022

The Trustees present their first Annual Report together with the audited financial statements of East Head Impact for the period 8<sup>th</sup> October 2021 to 31<sup>st</sup> December 2022. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law. The Trustees confirm that the Annual Report and financial statements of East Head Impact comply with the current statutory requirements, the requirements of East Head Impact'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 (FRS102) (effective 1<sup>st</sup> January 2019).

## 1. Objectives and activities

### 1.1 Foundation of East Head Impact

East Head Impact was founded by Marc Boughton for the purpose of establishing an independent, self-funded charitable foundation.

East Head Impact was incorporated as a company limited by guarantee on 8<sup>th</sup> October 2021 and was entered onto the Register of Charities by the Charity Commission for England and Wales on 12<sup>th</sup> November 2021. East Head Impact's three Trustees and Directors were appointed on 8<sup>th</sup> October 2021.

In December 2021, East Head Impact received an endowment of approximately £22 million, comprising multi-currency cash and investments, from a private trust. East Head Impact uses this endowment and the income stream derived from it to make charitable grants for the public benefit.

Following completion of a number of further steps, East Head Impact became operational in early 2022 and awarded its first grant in March 2022. As a newly established charitable foundation, East Head Impact continues to develop and refine the way in which it operates and conducts its activities.

### 1.2 Objects

Pursuant to its Articles of Association:

- The objects of East Head Impact are such charitable purposes for the public benefit as the Trustees in their absolute discretion determine.
- Charitable purposes are those that are exclusively charitable under the laws of England and Wales.

East Head Impact pursues these objects by awarding grants that are in accordance with its grant making policy and strategy, and which are in furtherance of a charitable purpose that offers an identifiable benefit to a significant section of the public.

In pursuing these objects and undertaking its grant making activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

### 1.3 Grant making policy and strategy

#### ***Policy***

East Head Impact's policy is to award grants which fall into the following three themes:

- **Education:** East Head Impact seeks to advance education and employment, and provide relief to those in need by reason of youth, age, financial hardship, sex, race or other disadvantage. Specifically, East Head Impact seeks to help people of all ages from disadvantaged backgrounds to overcome their challenges, obtain qualifications through further education and gain apprenticeships or sustained employment. East Head Impact also seeks to advance racial

- equality and diversity in employment.
- **Health:** East Head Impact seeks to advance both physical and mental health, with a focus on specific programmes which have a measurable impact.
- **The Planet:** East Head Impact seeks to advance environmental protection and improvement, and advance wildlife, flora and fauna, with a focus on specific projects which have a measurable impact on biodiversity and the climate.

As part of its grant making decision processes, East Head Impact takes into account, inter alia, the extent to which the impact of its funding can be measured, the impact goals (or key performance indicators), the likelihood that those impact goals will be achieved, and the proposed monitoring and reporting of those impact goals.

### **Strategy**

East Head Impact seeks to award grants in any given year across all its three grant making themes and to work with others to support our chosen charities. Accordingly, individual grants awarded to any one recipient in any one year will likely range between £25,000 to £200,000, with the option to award multi-year grants aggregating a higher figure.

East Head Impact uses its personal contacts and networks to identify grant making opportunities, and will co-fund with well-established charities, foundations and government agencies where appropriate. East Head Impact intends to develop a brand and communications strategy which it anticipates will assist with identifying grant making opportunities.

Pursuant to its Articles of Association and internal procedures, East Head Impact undertakes extensive due diligence prior to making a decision on whether to award a grant in order to establish, inter alia, the extent to which its funding will have an impact.

East Head Impact seeks to develop and build relationships with its grant recipients and combine expertise and capital in order to align interests and enhance scale and impact.

The amount of grants awarded each year are subject to a variety of factors including: (i) the impact of financial market movements and changes in asset valuations on East Head Impact's endowment and related income stream; and (ii) East Head Impact's ability to source grant making opportunities which fit with its grant making policy and impact objectives.

As a relatively new charitable foundation, East Head Impact will continue to develop and refine its grant making policy and strategy.

## **1.4 Impact measurement**

Given the different nature and objectives of the activities of the charities and entities which East Head Impact seeks to support within its three grant making themes, the impact measurement undertaken by each such charity and entity may vary considerably and may not be comparable.

Further, East Head Impact's grant awards may fund specific programmes and projects within such charities or entities thereby broadening impact measurement and diversity.

Accordingly, East Head Impact measures its own impact on the basis of the impact of each individual grant recipient on a separate and not collective basis.

## **1.5 Funding**

East Head Impact uses its endowment, investment gains and any income stream derived from it to pursue its objects and fund its grant making activities.

East Head Impact is not required to undertake external fundraising.

## 2. Grants and impact

Since becoming operational, East Head Impact has undertaken the grant making activities set out below.

### 2.1 Grant making

From March to December 2022, East Head Impact's Trustees approved the award of eight grants aggregating £583,250. Of this amount:

- £413,250 had been paid out to seven charities and entities by 31<sup>st</sup> December 2022.
- £50,000 represents a multi-year grant which it is anticipated will be paid out in 2023.
- The remaining £120,000 is subject to grant conditions which have not yet been satisfied.

The grants approved related to:

- Education: £333,250 (57%)
- Health: £250,000 (43%)

In March 2023, East Head Impact's Trustees approved a £146,300, multi-year Planet focused grant.

In addition, East Head Impact has given indicative commitments to award further grants aggregating £125,000 (subject to due diligence and Trustee approval).

### 2.2 Grant recipients and impact

The recipients of East Head Impact grants paid up to 31<sup>st</sup> December 2022, and the charitable impact achieved by those recipients, are set out below.

#### Education grants

##### (a) Premiership Rugby's HITZ programme

###### Overview

HITZ is Premiership Rugby's flagship education and employability programme organised by Premier Rugby Ltd (PRL) and its Premiership Clubs and Foundations, and Central YMCA (the education provider funded by the Department of Education). HITZ uses rugby's core values of teamwork, respect, enjoyment, discipline and sportsmanship to get young people not in education, employment or training back into education, training, apprenticeships and/or employment (EET). Over 21,000 14-24 year olds have been enrolled in HITZ since its inception in 2008.

HITZ consists of two programmes:

- The 'HITZ Learning Academy' delivered at the Premiership Clubs to 16-24 year olds who are predominantly not in EET and comprising: a variety of courses ranging from 15 weeks to two years which are delivered by Central YMCA and the Premiership Clubs or Foundations personnel; alternative provisions through qualifications, traineeships, work experience and enrichment; a focus on preventative measures to help learners stay on track and make good choices; and pastoral support from HITZ staff. Delivery involves both classroom work (including education, life skills and employability) and 'enrichment' to improve fitness and mental health, and courses involve maths, english, sports and vocational learning, and formal awards include, for example, BTEC Level 1 Introductory Diploma in Sport.
- 'HITZ on Track' which is a six-week academic only programme delivered in secondary schools to 14-16 year olds who are at risk of becoming not in EET. It focuses on a Relationship, Health and Sex Education curriculum and issues facing young people today, including mental health, drugs and alcohol awareness.

The purpose of East Head Impact's grant is to co-fund the delivery of the two HITZ programmes.

## ***Impact***

In the academic year 2021/22 213 learners were enrolled in the HITZ Learning Academy, 89% progressed into EET, and 96% expressed an increase in soft skills. Of those progressing into EET, 45% went into education, 34% went into employment and 5% went into training. In 2021/22 2,165 learners were enrolled in HITZ on Track and 85% expressed an increase in soft skills.

### **(b) United World Schools**

#### ***Overview***

UWS is a registered charity (No: 1187721) which aims to 'teach the unreached' by building and running primary schools for out-of-school children in remote areas of Nepal, Cambodia, Madagascar and Myanmar, and providing children with quality and inclusive education by working in partnership with local communities. UWS' mission is to end education poverty by working with communities to build primary schools and train community members as teachers, providing a low cost and sustainable way to teach the unreached, and to improve, through education, life opportunities for some of the world's poorest children living in remote and marginalised communities.

UWS provides an inclusive education to primary school children (aged 4-14) so that they are more able to overcome barriers including gender, disability, poverty, ethnicity and language. It works in partnership with communities and governments to develop schools over a 5-7 year period and then transition them to local community and government ownership, thereby empowering communities in governance, leadership and school management.

The purpose of East Head Impact's grant is to fund: (i) construction of the Tembe village school and the Pipaldhara village school in Nepal; and (ii) the running costs of both schools for their first two years of operation. The Tembe village is located in the Tapiejung District in Eastern Nepal and is home to Sherpa and Chetri ethnicities, and consists of around 155 households and 275 children. 70% of primary aged children in the village were not in education prior to construction of the school, and only 30% of adults are able to read, write and count. The Pipaldhara village is located in the Gulmi District in Central Nepal and is home mainly to the Dulit ethnic group, and the literacy rate among adults in the village is below 40%.

#### ***Impact***

Since its foundation in 2008, UWS has established 289 schools, 59 of which have transitioned to the state education system, and provided an education to 55,158 primary school children. Currently, 22,401 primary school children are enrolled in UWS schools who are taught by 1,250 teachers. In 2022, UWS pupil attendance was 85.9% in Nepal, the student-teacher ratio was 11.8:1 and 100% of primary school students who finished grade 8 progressed onto secondary school.

In the next 10 years, UWS' goal is to have provided 250,000 primary school children with a life changing education.

Construction of the Tembe village school commenced in September 2022 and was completed on 9<sup>th</sup> January 2023, and comprises 11 classrooms, a library and washrooms. A school management committee comprised of local community leaders and parents was formed in the first week of January 2023 and the school opened on 17<sup>th</sup> January 2023 (towards the end of the academic year) with 64 pupils (35 girls and 29 boys) and seven teachers. Two of the teachers are from the Tembe village and have been trained by UWS, three of the teachers are funded by government and four of the teachers are funded by UWS. UWS anticipates that pupil numbers will increase at the beginning of the next academic year beginning in mid-April 2023. UWS is planning for the school to be transitioned into the national education system over a seven-year period, thereby freeing up UWS resources and ensuring the school's sustainability for future generations.

When built, it is expected that around 140 children will be enrolled in the Pipaldhara village school.

East Head Impact's grant has enabled UWS to raise additional funding from the UK government by leveraging the Foreign & Commonwealth Development Office's 'Aid Match' programme thereby



further increasing the impact of East Head Impact's grant.

### **(c) Dallaglio RugbyWorks**

#### **Overview**

DRW is a registered charity (No:1130353) which, through its 'RugbyWorks' employability skills programme based on the values of rugby, aims to help disengaged young people aged 12-18 who are excluded from mainstream education or at risk of exclusion, and therefore at a heightened risk of being Not in Education, Employment or Training (NEET), either to transition successfully from secondary education into a career that matches their skills and interests or to pursue alternative pathways such as apprenticeships, further education or training. DRW employs coaches and mentors to run weekly sessions during the school day, and more recently in the evening and during the holiday period, for its young people in Alternative Provision, Pupil Referral Units and Exclusion Units, and offers aspiration work and interface with employers through career taster days and employment workshops.

In addition, DRW is developing a digital app, Player Profiles, which aims to fill an 'aspiration gap' by allowing its young people to assess, understand and address their skillset and skill gaps, and identify their goals and plan their progression against those goals. Player Profiles is intended to enhance DRW's face-to-face delivery and not replace it, and to extend learning beyond the school day by providing opportunities to achieve valuable life skills and workplace skills through a series of app-based features including videos, games, challenges and support from peers and mentors. DRW has completed a pilot project, and the development and rollout of Player Profiles continues.

The purpose of East Head Impact's grant is to co-fund the development of Player Profiles.

#### **Impact**

In the 2021/22 academic year, DRW's RugbyWorks school time programme reached 604 young people and 89% of its young people secured Education, Employment and Training (EET) status post aged 16 following completion of the RugbyWorks programme. Further, 87% of its young people found they were able to think more clearly in challenging situations and solve more complex problems, 78% found their communication skills improving with programme delivery, and 79% found they had more knowledge and information about career opportunities.

By 2027, DRW is aiming to reach over 7,000 young people in school time, outside school time and digitally.

The Player Profiles pilot project undertaken in January to June 2022 involved 63 young people in five schools. 100% of those young people said they enjoyed using Player Profiles, that they would continue to use it and that it helped them set their goals. The next stage of development will involve a roll out to a further 100 young people in 10 schools.

### **(d) Impetus – The Private Equity Foundation**

#### **Overview**

Impetus was founded in 2002 and is a registered charity (No: 1152262) which supports young people from disadvantaged backgrounds to help them succeed in education, employment and life by finding, funding and building the most promising charities. Impetus selects and backs charities dedicated to removing persistent barriers to a good education, decent work and life. Its current portfolio is made up of three funds with 25 charities.

Impetus supports its charity partners with expert advice as well as long-term strategic funding, and its charities must achieve three objectives – build strong leadership, beat benchmarks and scale their solutions. Impetus helps its charities achieve these objectives by building capacity through 1:1 support, pro bono work provided by third party supporters and peer forums, providing core funding, arranging co-investment and formulating policy. Impetus funds charities through its Direct Fund which has an education and employment focus, its Engage Fund which has a school exclusion

focus, and its Connect Fund which has an ethnic minority employment focus.

Impetus also established the Youth Endowment Fund Charitable Trust (YEF) in March 2019 with a £200 million endowment and 10-year mandate from the Home Office. Impetus is the sole corporate trustee of YEF whose mission is to prevent children and young people becoming involved in violence.

The purpose of East Head Impact's grant is to co-fund Impetus' charitable activities.

## ***Impact***

Since it was established in 2002, Impetus has raised £149.7 million of value in support of its charitable objectives (excluding the £200 million Home Office endowment to YEF). This value includes donations and investment income, pro-bono services donated to Impetus and its charity partners, and additional funds which the charities have raised with the support of Impetus. In 2021, Impetus raised £13.0 million of value in support of its charity partners which included £3.5 million of grants awarded, £1.0 million in pro-bono services and £1.9 million in value provided by the Impetus team.

In a 2021 review, Impetus concluded that the charities in its Direct Fund had benefited from a 24% average annual increase in reach since entry into the Fund. For example, the Tutor Trust which provides small group (1:3) and 1:1 tutoring to disadvantaged children in schools across the North of England grew significantly through the National Tutoring Programme from supporting 2,500 young people in 2019/20 to 6,500 in 2021/22.

Impetus believes that its work enables its charity partners to improve their success over time and that they consistently beat the available benchmarks. For example:

- Action Tutoring charity – its young people achieving grade 4 in GCSE Maths and English increased from 62% in 2017 to 80% in 2021.
- Think Forward charity – its young people entering employment, education or training increased from 55% in 2017 to 65% in 2021.
- Access Project charity – its young people securing university places increased from 53% in 2017 to 67% in 2021.

Impetus' target is to reach 378,000 young people in 2023.

## **Health grants**

### **(e) Podium Analytics**

#### ***Overview***

Podium is a registered charity (No: 1183716) which was established by Ron Dennis CBE in February 2019 with a vision for a safer world of sport and a mission to significantly reduce the impact and incidence of sports injuries, especially in youth sport (11-24 year olds). Podium's premise is that youth sports injury is under-researched, under-resourced and often overlooked, despite being a critical part of the development pyramid for professional sport, and given the broader health and wellbeing benefits. Podium believes that minimising the likelihood and the impact of sports injury in the crucial years of 11-24 will have a hugely positive effect on participation in sport and on the health and wellbeing of young people as they grow.

Podium's approach is science led and data driven. Its objectives are to: (i) develop the world's best insight and intelligence into youth sport injury, prevention and treatment; (ii) build a leading edge digital platform to enable Podium's activities and create solutions; (iii) identify opportunities for the development of new and improved standards to enhance sports safety and minimise the incidence and impact of injury by improving the overall quality, effectiveness, availability and adoption of products, training and education; and (iv) build strong collaboration and partnerships in order to establish Podium as the 'go-to' authority in sports safety.

Podium's programme has two core elements: (i) injury surveillance in schools and clubs; and (ii)

research. Injury surveillance and safety will be carried out in schools and clubs using digital App technology (SportSmart) which will collect data and analysis in order to feed into the research programme. The App will be provided to schools and clubs at no cost and will be supplemented by wearables and other tech innovations. Data collection will focus on injury, illness, exposure and wellbeing. The research will be carried out by Podium's in-house SportSmart Applied Research Team and the Oxford Podium Institute of Sports Medicine and Technology, a sports medicine partnership between Podium and Oxford University.

The purpose of East Head Impact's grant is to co-fund Podium's research programme.

### ***Impact***

The work of Podium is at an early stage. It has set itself multiple impact ambition targets in order to measure whether it succeeds in creating a safer world of sport. Broadly, these targets cover: sports, education and health stakeholders change sport policy and governance to improve safety in sport; the incidence and impact of priority injuries in youth sport are reduced; the overall quality, effectiveness and adoption of training and education in youth sport health is improved; sports safety is enhanced through new and improved standards in sports safety equipment and apparel, improving the overall quality, effectiveness, availability and adoption of products; and a sustainable, long-term model for the delivery of youth sport health nationally is achieved.

Data collection involves a targeted roll-out of the App to 500 schools and up to 1,000 clubs by Summer 2024. Podium has also entered into agreements with organisations such as England Athletics, England Rugby, The Lawn Tennis Association, The Royal Ballet School, Gloucester Rugby and England Hockey for data collection.

## **(f) West Sussex Mind**

### ***Overview***

WSM was founded in 1970 and is a registered charity (No: 1155918) which supports people in West Sussex with their mental health, provides specialist mental health training, and campaigns to improve mental health services and promote an understanding of mental health issues. It is affiliated with Mind, the national mental health charity.

WSM's objectives are: (i) to promote the preservation of good mental health, in particular around enabling and empowering everyone experiencing mental health problems to live with, manage and recover from their condition; and (ii) to relieve the needs of people with mental health problems by working to increase an understanding of mental health and mental health problems by gathering and disseminating information and working to raise awareness, promote understanding and challenge stigma and discrimination. To achieve these objectives, WSM offers a variety of services including the delivery of individual and group mental health and social support in person, by telephone or video calls to children, young people, families, adults and the elderly. WSM's mental health services can also be accessed using its website and through courses and videos, and it works proactively and in partnership with many other health, social care and community organisations to deliver its support.

The purpose of East Head Impact's grant is to fund a new WSM mental health programme involving the training of 'peer volunteers' who will use their own experience of mental health to help others. The grant will help WSM to develop and deliver the training programme, create opportunities for peer volunteers to help WSM deliver its services and develop a supportive pathway that will help peer volunteers take the next steps into either employment, external volunteering or further education.

### ***Impact***

In 2021/22, 5,365 individuals reached out to WSM for help and WSM delivered 24,032 individual and group mental health support interventions to these individuals. WSM also provided mental health training to 4,686 individuals, and 14,210 individuals were reached by WSM's mental health anti-stigma and raising awareness initiatives.

WSM's peer volunteer training programme aims to train close to 60 peer volunteers who will support 450 WSM service users over a three-year period.

### **(g) Old Coulsdon Centre**

#### ***Overview***

The Old Coulsdon Centre is a registered charity (No: 1147569) and was founded in 1984 by residents of Coulsdon for the purpose of improving the conditions of life for the retired by providing facilities in the interests of social welfare, recreation and leisure, and helping people live healthier, happy and longer independent lives. The Centre caters for people over 60 who have minimal resources and may otherwise experience hardship due to loneliness. It is a place where its users can visit to meet up with friends, have meals, watch films and enjoy other forms of entertainment, and it arranges outings to places of interest. The Centre also allows partner organisations such as the Royal Air Force Association, St Lawrence Hospital Retirement Club and Coulsdon Manor Rotary Club to use its facilities.

The purpose of East Head Impact's grant is to co-fund: (i) two years of operating costs following the withdrawal of the primary funder due to financial reasons; and (ii) the cost of a new minibus.

#### ***Impact***

The Centre's core client base is approximately 38 retired visitors together with approximately 65 other core visitors from the Royal Air Force Association and other organisations. In 2022, the Centre was open for 245 days, had 3,364 visitors and served 2,571 meals and snacks. The Centre's minibus, which ferries visitors between their homes and the Centre, covered 5,858 miles and carried 3,685 passengers.

## **3. Financial review**

### **3.1 Context**

East Head Impact was incorporated on 8<sup>th</sup> October 2021 and its first financial reporting period is 8<sup>th</sup> October 2021 to 31<sup>st</sup> December 2022. In the context of a financial review:

- East Head Impact became operational in early 2022.
- It awarded its first charitable grant in March 2022.
- As part of the endowment received in December 2021, it received £17,638,124 (in sterling terms) in multi-currency cash which required investment in accordance with the development of East Head Impact's investment policy.
- It incurred non-recurring legal fees of £41,179 in relation to its set up.

### **3.2 Total return investment approach and objectives**

As a result of its endowment, East Head Impact has a portfolio of investments and cash which it can use to fund its charitable activities. The performance of this portfolio over the long term is therefore a key component of the long-term sustainability of East Head Impact and its ability to make a charitable impact through its grant making.

The performance of the portfolio will vary year-on-year and will be affected by numerous factors including changes in global investment market volatility and returns (both yield and capital returns), investment strategy and short-to-long term investment return horizons for individual portfolio assets, foreign exchange movements and liquidity. In light of these factors and given its power to spend both income and capital, East Head Impact takes a total return approach by seeking to generate both income and capital growth and taking into account both realised and unrealised short-to-long-term income, and capital and foreign exchange gains and losses when assessing, inter alia, the performance of its portfolio and the appropriate level of grant making.

Given this approach, East Head Impact's objective is to pursue a long-term strategy of maximising sustainable charitable expenditure while maintaining the real value of its investment portfolio in

perpetuity after expenditure. East Head Impact seeks to spend 4% of the investment portfolio in grant making each year over the long term while generating a 4% real return on its investment portfolio over a rolling 10-year period.

### **3.3 Investment portfolio asset allocation and diversification**

In seeking to achieve a real return on its investment portfolio, East Head Impact invests in a range of assets including private assets and top tier alternative investment funds, publicly traded equity and debt securities, and cash deposits. Over 50% of the portfolio will likely be invested in private alternative investments providing high growth returns over the longer term, with the remainder of the portfolio invested in a diversified portfolio of liquid, lower return investments and cash deposits.

The portfolio is managed to ensure an appropriate level of liquidity and an exposure to foreign currency denominated assets which reflects an appropriate balance between risk and reward.

East Head Impact has invested in a private investment fund which backs climate tech entrepreneurs, and it takes into account Environmental, Social and Governance issues in the management of its investment portfolio.

### **3.4 Investment portfolio performance**

As at 31<sup>st</sup> December 2022, the total value (in sterling terms) of the investment portfolio and cash was £21,618,638 which was invested as to £5,155,003 in alternative investment funds, £8,224,960 in a publicly traded investment fund, £1,482,466 in corporate bonds and £6,756,209 in short-to-medium term deposits and cash.

The publicly traded investment fund aims to achieve a total level of return in sterling in excess of global equity and fixed income markets by investing in a diversified portfolio of assets which have exposure primarily to equity and fixed income securities.

The market value of East Head Impact's investment portfolio fell by £173,033 (1.1%) in 2022, net of foreign currency investments exchange gains and before investment management fees and expenses, while the MSCI World Total Return Net Index fell by 7.8%. The strong performance in East Head Impact's fully invested alternative investment funds was offset by its investment in the publicly traded investment fund.

In 2021/22, the investment portfolio generated interest income of £208,679 and investment income of £40,523.

### **3.5 Financial performance**

East Head Impact's endowment of £21,955,025 received in December 2021 is included in the income statement for this first financial reporting period. Other income aggregated £652,647 which comprised total foreign currency exchange gains of £403,445 and interest and investment income of £249,202. Offset against this income was £373,339 of net unrealised gains and losses on investments.

Expenditure aggregated £538,813 which included grant awards paid of £413,250, legal fees of £49,579 and investment management fees and expenses of £54,908. The legal fees related primarily to the set-up of East Head Impact and receipt of the endowment, and therefore represented one-off charges.

Net income for the period amounted to £21,695,520.

As at 31<sup>st</sup> December 2022, uncalled capital commitments on alternative investment funds aggregated £2,192,267 and grants approved but unpaid aggregated £170,000.

### **3.6 Reserves policy**

East Head Impact funds its charitable activities using its endowment and the income stream derived from it, it has a low and narrow cost base relative to the endowment, and the level of its grant making is, inter alia, at the discretion of its Trustees on an ongoing basis.

It is the intention of the Trustees to hold cash and liquid investments sufficient to cover uncalled capital commitments on investments, approved but unpaid grants, and budgeted grant making and operating costs on a rolling 12-month basis.

### **3.7 Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that East Head Impact has adequate resources 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.

### **3.8 Financial risk management**

The Trustees have assessed the major risks to which East Head Impact is exposed, in particular those related to its operations and finances, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

## **4. Structure, governance and management**

### **4.1 Structure**

East Head Impact is a company limited by guarantee (No: 1366696) and a registered charity (No: 1196559), the governing document is the Articles of Association, and the governing body is the Board of Trustees.

### **4.2 Appointment of Trustees**

Three trustees were appointed upon the formation of East Head Impact, namely Marc Boughton (Founder and Chair), Matthew Woods and Jonathan Sykes.

In accordance with the Articles of Association, the Founder of East Head Impact was appointed a Trustee for an indefinite period of time, and Matthew Woods and Jonathan Sykes were appointed for an initial term of four years. Retiring Trustees may be reappointed, and the minimum required number of Trustees is two.

The appointment of any new trustees will take into account their charitable experience and ability to assist East Head Impact achieve its charitable objectives, and will involve in depth discussions with the Founder and the other Trustees on East Head Impact's objectives, strategy, governance and procedures.

### **4.3 Trustee powers**

East Head Impact's Articles of Association set out the powers and duties of the Trustees pursuant to which they control and manage East Head Impact and its assets. No committees have been established.

### **4.4 Delegation of Trustee duties and management**

The Trustees have delegated certain duties to the Chair and Head of Philanthropy and Operations in order to carry out the day-to-day management of East Head Impact (who report to the Board of Trustees in the performance of such duties). These delegated duties include:

- To the Chair – to manage and operate the bank accounts; formulate the investment strategy; and manage and operate the investment portfolio.

- To the Head of Philanthropy and Operations – to work with the Trustees on grant making policy and the identification of grant making opportunities; structure grants, carry out due diligence, prepare written proposals and recommendations, and monitor grants and charity portfolio performance; liaise with investment and fund managers and report on investment portfolio performance; monitor bank accounts and liquidity; maintain financial and administration records; prepare budgets and reports on operations, income, expenditure, assets and liabilities (including the preparation of financial statements); arrange Trustee meetings, prepare agendas and board pack documents and take minutes of meetings; liaise with the auditors and legal advisors; and generally manage day-to-day operations.

The duties of the Head of Philanthropy and Operations are carried out pursuant to a management services agreement. The role is performed as a volunteer and is unpaid.

East Head Impact has no employees and no other volunteers.

The Trustees have also delegated certain duties to J.P Morgan, the investment manager for part of East Head Impact's investment portfolio, and to Withers LLP, its legal adviser. These delegated duties include:

- To J.P. Morgan: to manage a portion of the investment portfolio under the direction of the Chair.
- To Withers LLP: to perform secretarial duties including advising on regulatory compliance and assisting in the preparation of regulatory filings.

An investment management mandate is in place with J.P. Morgan, and a secretarial services agreement is in place with Withers LLP.

East Head Impact has Trustee approved corporate governance procedures in place.

#### **4.5 Trustee and management experience**

The Trustees have a broad range of experience:

- Marc Boughton was a fund manager with an international alternative asset management firm for over 25 years. He qualified as a Chartered Accountant with PwC prior to spending five years as an investment manager with Electra Partners, a private equity fund manager. In 1995, he joined CVC Capital Partners, a leading global alternative investment manager focussed on private equity, secondaries and credit with a global network of 25 offices and €133 billion under management, before retiring as a Managing Partner in September 2022. While at CVC, he founded and was Chair of the CVC Foundation, CVC's global philanthropy programme which uses CVC resources and employee donations to make a measurable impact on the lives of disadvantaged children and young people in the communities in which CVC operates. His other volunteering roles include: (i) since 2010, a member of the Investment Committee of Impetus – The Private Equity Foundation, a registered charity which seeks to transform the lives of 11-24 year olds from disadvantaged backgrounds by ensuring that they get the support they need in education, finding and keeping jobs, and achieving their potential. He was also a trustee of Impetus; and (ii) between 2015 and 2022, a member of the Advisory Board of the Rugby Football Union which established 'RFU for Change', the RFU's flagship social responsibility programme aimed at growing the power of rugby as a tool for social good.
- Jonathan Sykes provides advice to businesses on their growth plans, either in the capacity of an executive or a non-executive director. He was Executive Chair of Carbon Intelligence, a leading consulting and technology firm committed to helping businesses transform for a net-zero world, and recently led the successful sale of the firm to Accenture. Prior to joining Carbon Intelligence, he built and grew three global digital and media businesses, and was Managing Director at Sky Sports. He is a qualified barrister and holds a law degree from Inns of Court School of Law.
- Matthew Woods trained with Withers, a leading City law firm, where he qualified as a private client lawyer in 2001. He specialises in advising families on succession and governance issues with a focus on family-owned businesses (whether investment or trading) and rural estates, whether farming or with a diverse asset base. Philanthropy is an important part of many of those succession plans and he was involved with the legal set-up of East Head Impact. He has sat on the management board of Withers for the last four years and during that period the importance of philanthropy and Environmental, Social and Corporate Governance issues has

grown as well as pro bono work. In addition to advising families, he gets involved in raising funds for the Withers' charity of the year or matters that are personal to him, such as Alzheimer's Research UK, which has seen him complete the Royal Parks half marathon. He sits as a charitable trustee for a family making annual grants and is also a trustee of the Compton Verney Fund which is an endowment fund supporting the house opening activities of the Compton Verney House Trust, which has a nationally accredited art gallery and historic Capability Brown Park.

The Head of Philanthropy and Operations qualified as a Chartered Accountant with Ernst & Young prior to spending over 25 years as a mergers & acquisitions advisory banker with Rothschild & Co, a leading global financial services group involved in financial advisory, wealth and asset management and merchant banking.

#### **4.6 Related party transactions**

The Trustees receive no remuneration in the performance of their duties.

Related party transactions are stated in note 21 to the financial statements.

### **5. Future plans**

East Head Impact's future plans include:

- Developing a brand and communications strategy to enhance the delivery of its charitable activities.
- Developing a strategy to work with experts to enhance the delivery of its charitable objectives.
- Developing a strategy to assist grant recipients in furthering their impact goals.

East Head Impact assesses the impact achieved by its grant recipients on an ongoing basis and, based on that impact, makes appropriate decisions on future grant awards and changes to its grant making policy, strategy and procedures as the Trustees deem appropriate.

### **6. Principal risks and uncertainties**

The principal risks and uncertainties faced by East Head Impact are as follows:

- Identifying suitable grant making opportunities: This uncertainty is mitigated by the extent of the collective personal contacts and networks of the Trustees. Further, and as a newly established charity, East Head Impact will continue to explore and develop the way in which it operates – this may include: (i) appointing a consultant to build a brand and communications strategy designed, inter alia, to enhance the identification of grant making opportunities (including co-funding opportunities alongside other charitable foundations); and (ii) taking on additional resources with expertise in the charitable areas in which East Head Impact seeks to make an impact.
- Required resources to process grant making opportunities: East Head Impact monitors its operations on an ongoing basis and will take steps that the Trustees deem appropriate to improve and enhance its operational capabilities.
- A fall in the value of its investment portfolio and related income stream as a result of negative factors affecting the financial markets and asset values, and thus lower resources available to fund East Head Impact's charitable activities. This risk is mitigated as a result of: (i) the investment experience of the Board of Trustees; and (ii) the appointment of J.P. Morgan, a top tier investment and asset manager, to manage a portion of East Head Impact's investment portfolio.

### **7. Statement of Trustees' responsibilities**

#### **7.1 Responsibilities**

The Trustees of East Head Impact, who are also its directors for the purposes of company law, are



responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of East Head Impact and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102).
- Make judgments and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that East Head Impact will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain East Head Impact's transactions and disclose with reasonable accuracy at any time the financial position of East Head Impact and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of East Head Impact and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **7.2 Disclosure of information to auditors**

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

- So far as that Trustee is aware, there is no relevant audit information of which East Head Impact's auditors are unaware.
- 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 East Head Impact's auditors are aware of that information.

## **7.3 Auditors**

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

## **8. Trustees' approval and authorisation**

This report was approved by East Head Impact's Trustees on 21<sup>st</sup> June 2023 and the Chair was authorised to sign the report on behalf of the Board of Trustees.



Marc Boughton  
Founder and Chair  
June 2023

**East Head Impact**  
**(A company limited by guarantee)**

**Independent auditors' report to the Members of East Head Impact**

**Opinion**

We have audited the financial statements of East Head Impact (the 'charity') for the period ended 31 December 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**East Head Impact**  
**(A company limited by guarantee)**

**Independent auditors' report to the Members of East Head Impact (continued)**

**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters 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 Trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report 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 Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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.

**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, 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.

**East Head Impact**  
**(A company limited by guarantee)**

**Independent auditors' report to the Members of East Head Impact (continued)**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

*Capability of the audit in detecting irregularities, including fraud*

Based on our understanding of the charity and industry, and through discussion with the trustees and management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to anti-bribery and money laundering law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), the Companies Act 2006 and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investments. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation; and
- Agreeing investment movements and valuations to third party reports, and evaluating the competence of the experts providing those reports.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or
- Page 20

**East Head Impact**  
**(A company limited by guarantee)**

**Independent auditors' report to the Members of East Head Impact (continued)**

error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Kreston Reeves LLP**

Chartered Accountants  
Statutory Auditor

Chichester

Date: 28 June 2023

**East Head Impact**  
**(A company limited by guarantee)**

**Statement of financial activities (incorporating income and expenditure account)**  
**For the period ended 31 December 2022**

	Note	Endowment funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
<b>Income and endowments from:</b>				
Donations and legacies	4	21,955,025	-	21,955,025
Investments	5	-	249,202	249,202
<b>Total income and endowments</b>		<b>21,955,025</b>	<b>249,202</b>	<b>22,204,227</b>
<b>Expenditure on:</b>				
Charitable activities:	6,7			
Grants to institutions		-	413,250	413,250
Other charitable activities		54,908	(132,484)	(77,576)
<b>Total expenditure</b>		<b>54,908</b>	<b>280,766</b>	<b>335,674</b>
<b>Net income/(expenditure) before net losses on investments</b>		<b>21,900,117</b>	<b>(31,564)</b>	<b>21,868,553</b>
Net losses on investments		(173,033)	-	(173,033)
<b>Net income/(expenditure)</b>		<b>21,727,084</b>	<b>(31,564)</b>	<b>21,695,520</b>
Transfers between funds	14	(31,564)	31,564	-
<b>Net movement in funds</b>		<b>21,695,520</b>	<b>-</b>	<b>21,695,520</b>
<b>Reconciliation of funds:</b>				
Net movement in funds		21,695,520	-	21,695,520
<b>Total funds carried forward</b>		<b>21,695,520</b>	<b>-</b>	<b>21,695,520</b>

The Statement of financial activities includes all gains and losses recognised in the period.


The notes on pages 25 to 33 form part of these financial statements.

**East Head Impact**  
**(A company limited by guarantee)**  
**Registered number: 13669631**

**Balance sheet**  
**As at 31 December 2022**

	<b>Note</b>	<b>2022 £</b>
<b>Fixed assets</b>		
Investments	11	14,862,429
		<u>14,862,429</u>
<b>Current assets</b>		
Debtors	12	86,182
Cash at bank and in hand		6,756,209
		<u>6,842,391</u>
Creditors: amounts falling due within one year	13	(9,300)
		<u>6,833,091</u>
<b>Net current assets</b>		
		<u>21,695,520</u>
<b>Total assets less current liabilities</b>		
		<u>21,695,520</u>
<b>Total net assets</b>		<u><u>21,695,520</u></u>
<b>Charity funds</b>		
Endowment funds	14	21,695,520
Unrestricted funds	14	-
		<u>-</u>
<b>Total funds</b>		<u><u>21,695,520</u></u>

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

  
**Marc Boughton**  
 Founder and Chair  
 Date: 21st June 2023

The notes on pages 25 to 33 form part of these financial statements.

**East Head Impact**  
**(A company limited by guarantee)**

**Statement of cash flows**  
**For the period ended 31 December 2022**

	<b>2022</b> <b>£</b>
<b>Cash flows from operating activities</b>	
Net cash used in operating activities	<b>21,542,469</b>
<b>Cash flows from investing activities</b>	
Dividends and interest from investments	<b>249,202</b>
Proceeds from sale of investments	<b>211,702</b>
Purchase of investments	<b>(15,293,270)</b>
Deductions from capital (investment accounts)	<b>46,106</b>
<b>Net cash used in investing activities</b>	<b>(14,786,260)</b>
<b>Change in cash and cash equivalents in the period</b>	<b>6,756,209</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>6,756,209</b>

The notes on pages 25 to 33 form part of these financial statements



**East Head Impact**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the period ended 31 December 2022**

**1. General information**

The charity is a private limited company limited by guarantee incorporated in England and Wales. The members of the company and the trustees are named on page 1. 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.

The registered office of the charity is:

Third Floor, 20 Old Bailey, London, United Kingdom, EC4M 7AN.

The principal place of business is:

10 St Leonards Terrace, London, United Kingdom, SW3 4QB.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

East Head Impact 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.

**2.2 Going concern**

The financial statements have been prepared on a going concern basis. The Trustees have assessed the financial position of the charity and based on the net asset position and the discretion the charity has over its level of activity and expenditure they have concluded that the charity can continue to operate for at least 12 months beyond the signing date of these financial statements.

**2.3 Income**

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.

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

**Notes to the financial statements**  
**For the period ended 31 December 2022**

**2. Accounting policies (continued)**

**2.4 Expenditure (continued)**

Grants payable are charged in the period 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 period end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

**2.5 Interest receivable**

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 institution with whom the funds are deposited.

**2.6 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities.

**2.7 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

**2.8 Debtors**

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

**2.9 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.

**2.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**Notes to the financial statements**  
**For the period ended 31 December 2022**

**2. Accounting policies (continued)**

**2.11 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.

**2.12 Fund accounting**

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.

Endowment funds comprise capital donated to the charity, together with accumulated realised and unrealised investment gains or losses. The Trustees have the power to expend the endowment funds. Investment management charges and other professional fees relating directly to the fund are charged against the fund. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included in unrestricted income.

Investment income, gains and losses are allocated to the appropriate fund.

**3. Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity holds certain investments for which open market valuations are not available. The valuations for these investments are provided by expert investment managers. See note 11 for the year-end valuation of investments held by the Charity.

**4. Income from donations and legacies**

	<b>Endowment funds 2022 £</b>	<b>Total funds 2022 £</b>
Donations	<u>21,955,025</u>	<u>21,955,025</u>

**East Head Impact**  
(A company limited by guarantee)

**Notes to the financial statements**  
**For the period ended 31 December 2022**

**5. Investment and interest income**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Investment and interest income	249,202	<b>249,202</b>

**6. Analysis of grants**

	<b>Grants to Institutions 2022 £</b>	<b>Total funds 2022 £</b>
Grants	413,250	<b>413,250</b>

The Charity awards grants under three key pillars; Education, Health and the Planet. Grants in the current year were £180,000 under the Health pillar, and £233,250 under the Education pillar.

Grants paid to institutions totalled £413,250, and were made up of the following individual grants:

<b>Recipient</b>	<b>Grant amount (£)</b>
Old Coulsdon Centre	30,000
United World Schools	81,000
Premiership Rugby's HITZ programme	52,250
Dallaglio RugbyWorks	50,000
Impetus - The Private Equity Foundation	50,000
West Sussex Mind	50,000
Podium Analytics	100,000
<b>Total</b>	<b>413,250</b>

**7. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Endowment funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total 2022 £</b>
Grant funding activities	54,908	280,766	<b>335,674</b>

**East Head Impact**  
(A company limited by guarantee)

**Notes to the financial statements**  
**For the period ended 31 December 2022**

**8. Analysis of expenditure by activities**

	<b>Grant funding activities 2022 £</b>	<b>Support costs 2022 £</b>	<b>Total funds 2022 £</b>
Grant funding activities	413,250	(77,576)	<b>335,674</b>

**Analysis of support costs**

	<b>Grant funding activities 2022 £</b>	<b>Total funds 2022 £</b>
Advertising and marketing	1,007	<b>1,007</b>
Audit and accountancy	11,040	<b>11,040</b>
Bank fees, Investment management fees and expenses	54,953	<b>54,953</b>
Insurance	1,733	<b>1,733</b>
Legal and professional	49,579	<b>49,579</b>
IT software and consumables	287	<b>287</b>
Interest paid	6,964	<b>6,964</b>
Foreign exchange bank revaluations	(203,139)	<b>(203,139)</b>
	<b>(77,576)</b>	<b>(77,576)</b>

**9. Auditors' remuneration**

The auditors' remuneration amounts to an auditor fee of £9,300 (2021 - £ -), and other services of £1,740 (2021 - £ -).

**10. Trustees' remuneration and expenses**

During the period, no Trustees received any remuneration or other benefits.

During the period ended 31 December 2022, no Trustee expenses were incurred.

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**Notes to the financial statements**  
**For the period ended 31 December 2022**

**11. Fixed asset investments**

	<b>Investments £</b>
<b>Valuation</b>	
Additions	15,293,270
Disposals	(211,702)
Revaluations	(373,339)
Capital account deductions	(46,106)
Foreign exchange movement	200,306
	<hr/>
At 31 December 2022	14,862,429
	<hr/>
<b>Net book value</b>	
At 31 December 2022	14,862,429
	<hr/>

The carrying value of investments includes holdings in alternative investment funds of £5,155,003, corporate bonds of £1,482,466 and diversified investment funds of £8,224,960.

**12. Debtors**

	<b>2022 £</b>
<b>Due within one year</b>	
Prepayments and accrued income	86,182
	<hr/>
	86,182
	<hr/>

**13. Creditors: Amounts falling due within one year**

	<b>2022 £</b>
Accruals and deferred income	9,300
	<hr/>

**East Head Impact**  
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**Notes to the financial statements**  
**For the period ended 31 December 2022**

**14. Statement of funds**

**Statement of funds - current period**

	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
<b>Unrestricted funds</b>					
General Funds	<u>249,202</u>	<u>(280,766)</u>	<u>31,564</u>	<u>-</u>	<u>-</u>
<b>Endowment funds</b>					
Endowment Funds	<u>21,955,025</u>	<u>(54,908)</u>	<u>(31,564)</u>	<u>(173,033)</u>	<u>21,695,520</u>
<b>Total of funds</b>	<u><u>22,204,227</u></u>	<u><u>(335,674)</u></u>	<u><u>-</u></u>	<u><u>(173,033)</u></u>	<u><u>21,695,520</u></u>

The expendable endowment fund was established by a donation in the current reporting period (see note 21). The trustees have the power to spend the income and capital in accordance with the Trust's charitable objectives.

**15. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Endowment funds 2022 £	Total funds 2022 £
Fixed asset investments	14,862,429	<b>14,862,429</b>
Current assets	6,842,391	<b>6,842,391</b>
Creditors due within one year	(9,300)	<b>(9,300)</b>
<b>Total</b>	<u><u>21,695,520</u></u>	<u><u>21,695,520</u></u>

**East Head Impact**  
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**Notes to the financial statements**  
**For the period ended 31 December 2022**

**16. Reconciliation of net movement in funds to net cash flow from operating activities**

	2022 £
Net income for the period (as per Statement of Financial Activities)	21,695,520
<b>Adjustments for:</b>	
(Gains)/losses on investments	173,033
Dividends and interests from investments	(249,202)
Decrease/(increase) in debtors	(86,182)
Increase in creditors	9,300
<b>Net cash provided by operating activities</b>	<b>21,542,469</b>

**17. Analysis of cash and cash equivalents**

	2022 £
Cash in hand	6,756,209
<b>Total cash and cash equivalents</b>	<b>6,756,209</b>

**18. Analysis of changes in net debt**

	Cash flows £	Changes in market value and exchange rate movements £	At 31 December 2022 £
Cash at bank and in hand	6,553,070	203,139	6,756,209
	<b>6,553,070</b>	<b>203,139</b>	<b>6,756,209</b>

**19. Uncalled capital commitments**

The charity has uncalled capital commitments relating to its investment funds totalling £2,192,267.



**East Head Impact**  
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**Notes to the financial statements**  
**For the period ended 31 December 2022**

**20. Grant commitments**

The charity has £170,000 of grant funding commitments to meet, should the grantees meet their respective grant conditions.

**21. Related party transactions**

Marc Boughton is the Founder and Chair of East Head Impact:

- In December 2021, East Head Impact received a donation of £21,955,025 (comprising cash and interests in investment funds established and managed by CVC Capital Partners) from a private trust. Marc Boughton was a trustee of the private trust and an employee of CVC Capital Partners at the time of the donation and continues to hold an ownership interest in CVC Capital Partners. Receipt of the investment funds was approved by the two other trustees of East Head Impact. No fees are paid by East Head Impact to CVC Capital Partners for managing the investment funds.
- East Head Impact provided a US\$1 million capital commitment to invest in an investment fund established and managed by a subsidiary of CVC Capital Partners.
- East Head Impact awarded a £52,250 grant to Premier Rugby Ltd for the purpose of co-funding Premiership Rugby's award winning HITZ community programme. One of the investment funds managed by CVC Capital Partners and gifted to East Head Impact has an indirect ownership interest in Premier Rugby Ltd.
- East Head Impact awarded a £50,000 unrestricted grant to Impetus – The Private Equity Foundation. Marc Boughton is a member of the Impetus Investment Committee.

Jonathan Sykes is a trustee of East Head Impact. East Head Impact awarded a £52,250 grant to Premier Rugby Ltd. A Jonathan Sykes family member is a senior employee of Premiership Rugby.

Matthew Woods is a trustee of East Head Impact and a partner of Withers LLP, East Head Impact's legal adviser:

- East Head Impact received a donation of £21,955,025 from a private trust in December 2021. Matthew Woods is a director of Withers Trust Corporation Limited which is a trustee of the private trust.
- In 2021/2022, Withers LLP provided advice to (a) the trustees of the private trust in relation to the £21,955,025 million gift to East Head Impact and (b) East Head Impact in relation to the foundation of East Head Impact and related tax issues and on potential investments, and also provided company secretarial services (which are ongoing). Fees paid by East Head Impact to Withers LLP for this advice and services since incorporation aggregated £44,510.