



**The Barrow Cadbury Trust**  
(A company limited by guarantee)

**Annual report and consolidated financial statements  
for the year ended 31 March 2019**

Charity Registration Number

1115476

Company Registration Number (England and Wales)

5836950

## **The Barrow Cadbury Trust (a company limited by guarantee)**

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**The Barrow Cadbury Trust (a company limited by guarantee)  
Trustees' report for the year ended 31 March 2019**

The trustees present their statutory report together with the accounts of the Barrow Cadbury Trust (the Trust) for the year ended 31 March 2019. The accounts consolidate the financial statements of the Trust and its subsidiary undertaking, the Barrow Cadbury Fund Limited (the Fund). Comparatives are for the year ended 31 March 2018.

The reference and administrative information set out on page 2 forms part of this report.

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## **Structure**

The Trust was incorporated as a charitable company limited by guarantee on 5 June 2006, and is governed by a Memorandum and Articles of Association. The Trust is also a registered charity. The Trust is the sole member of the Barrow Cadbury Fund (the Fund), a non-charitable company limited by guarantee.

The Memorandum and Articles of Association of both the Trust and Fund were last comprehensively reviewed in 2008/09 and amended in order to take account of new requirements under company law and best practice.

## **Trustees**

### **Appointment of trustees**

Until 2009, all of the trustees were direct descendants of Barrow and Geraldine Cadbury. The first two non-family members were appointed in 2009. Three non-family trustees served during the past year. Family trustees are recruited through the family and efforts are made to establish familiarity with the work of the Trust among younger family members at an early stage. Non-family trustees are recruited and are selected to enhance the skill base of the Board. Induction is provided for new trustees on Trust strategy and good governance. The trustee register of interests is updated and graded annually and is available for public inspection on request. There is continuing emphasis on improving capabilities in governance, investment, financial management and communications. There is an annual trustee skills audit, trustees are appraised annually by the Chair on their performance and contribution to the Trust and, where additional training requirements are identified, appropriate training is provided. Workshops and site visits are arranged for trustees on relevant matters.

### **Chief Executive**

The day-to-day management is delegated to the Chief Executive of the Trust, Sara Llewellyn.

### **Governance**

The Board has strengthened its role in strategy setting and in the oversight of impact, whilst stepping back from operational management over the past several years. A core governance pack is in place for trustees. This governance pack also serves as an induction pack for new trustees, incorporating all key documents and is reviewed and updated annually. The Trust welcomes the new Charity Governance

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Code and looks to it for best practice advice. We were also pleased to be able to financially support its development and dissemination.

The Board has a Strategic Framework in place for 2016-21. The Board has decided to continue to spend capital as well as income at broadly the same level as now over this period, in order to prioritise the continued impact of our work. This is not, however, to be taken as a decision to spend out and we will fully review the matter again in 2019/20, in anticipation of our upcoming full strategic review remaining mindful of the need to balance the needs of the present with those of the future.

During the year one prospective family trustee served a 'governance apprenticeship' shadowing the board of Revolving Doors Agency, to which we are grateful.

**In 2019/20 we will:** Bring an additional member onto the Board.

### **Remuneration of senior staff**

Senior staff are on salary scales with five incremental steps, with an additional annual inflationary element. The trustees sought external advice and undertook a peer benchmarking exercise when these were put in place. No salaries are individually negotiated.

### **Risk management**

At least once a year, the trustees review the major risks facing the Trust and Fund and ensure that any necessary mitigating actions are put in place. One named trustee has lead responsibility for oversight of the risk register (currently Steven Skakel). The trustees are satisfied that appropriate measures and effective systems are in place to mitigate those risks. A comprehensive risk analysis was undertaken during the year and an updated full risk strategy reviewed by trustees in April 2019. Each quarter the Board monitors the identified 'headline' risks. The highest scoring risk is:

a) our ability to influence policy is reduced by perceptions of political bias. This is managed by ensuring our activities and public profile are politically non-partisan with partnerships across the political spectrum.

The trustees do not consider that any of the risks pose a threat in the foreseeable future to the Trust's ability to operate as a going concern.

**In 2019/20 we will:** Remain vigilant with regard to changes in the external environment which may affect our risk appetite or exposure.

### **Strategic and operational planning**

Having developed the Trust's Strategic Framework for 2016-21, in 2018/19 we implemented and now report on the third year's Operational Plan. A revised Operational Plan is now in place for 2019/20.

During the year we increased the Connect Fund team to better meet the needs of the sector and recruited the staff team and implemented governance and management arrangements for the Fair By Design Campaign.

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**In 2019/20 we will:** Implement the fourth year of the revised Strategic Framework for 2016/21, and review and renegotiate our collaboration with the Access Foundation to deliver the Connect Fund.

### **Public benefit**

The trustees have had regard to the Charity Commission's guidance on public benefit and also to guidance from the Association of Charitable Foundations. Trustees are confident the Trust operates for public benefit and discussed the matter fully at a Board meeting during the year.

The Trust's mission is to use all our assets, especially our money, to work with others to bring about structural change for a more just and equal society. The benefits arising from the Trust's work include social and economic improvement for people, especially, but not exclusively:

- young adults and women, who are within or at risk of falling into the criminal justice system;
- refugees, asylum seekers and undocumented migrants; and the communities which receive them;
- people living in poverty, especially those who are most financially excluded;
- the promotion of philanthropy, social investment; and
- strengthening civil society and its voice.

This assistance is provided both directly and indirectly by the Trust working with and funding voluntary organisations, campaigns, social investment vehicles, think tanks and community groups to work directly with, or to secure better social and economic improvements for, end beneficiaries.

### **Fundraising**

The Trust does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Trust nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and the Trust received no complaints relating to its fundraising practice.

### **Vision, Mission, Values and Cross-Cutting Themes**

**Vision:** The Trust's vision is of a just and peaceful society which recognises the equal value of all people.

**Mission:** The Trust's mission is to use all of our assets, especially our money, to work with others to bring about structural change for a more just and equal society.

**Values:** **Voice:**  
The Trust is committed to 'speaking truth to power' by enabling the unfiltered voices of people's real lived experience to influence those in power.

**Collaboration:**  
Recognising that we can achieve little on our own, the Trust works in partnership with others to build movements for change.

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**Engagement:**

The Trust aims to use the power that having independent money gives us and to work with all our partners respectfully in the interests of our shared goals.

**Independence:**

The Trust sees a strong civil society, of which we are a part and which we will nurture, as a key mechanism for holding the powerful to account.

**Learning:**

The Trust seeks to learn from all the work we undertake and support – and to share that learning widely to increase impact.

**Innovation and evidence:**

The Trust will work over a sustained period of time to find and build an evidence base for new solutions to old problems.

**Quaker Values:**

The Trust respects its historical roots in Birmingham and in Quaker values, although now embracing all faiths and none.

**Cross Cutting Themes:**

- Strengthening civil society.
- Putting equality at the heart of everything we do.
- Addressing gender based disadvantage.
- Addressing racism in all its forms.
- Sustainable development.

**Our Model**

The Trust describes its approach as that of a catalytic change maker, using all our assets, not only our money, in the service of our mission. We aim to bridge the divide between local communities and policymakers. We are guided by the Quaker imperative to 'speak truth to power' and to this end we aim to allow the voices and 'lived experience' of marginalised and disadvantaged people to be heard in the 'corridors of power'. We aim to bring to policymakers what we call 'new solutions not just old complaints'. The Trust works with think tanks, campaigning organisations and the media to increase informed public dialogue about some of the difficult issues of our age. The Trust provides opportunities for grantees to influence policy makers and also for them to come together and share learning. The Trust also funds research which aims to influence public policy and practice in order to bring about structural change. These areas of work are described in more detail in the next section of this report.

In order to better explain our model of working we have a short animation which illustrates succinctly our approach. The animation and guidance for prospective applicants on eligibility to apply, our procedures and methods of working are all available on our website ([www.barrowcadbury.org.uk](http://www.barrowcadbury.org.uk)).

## **Objectives and Activities, Achievements and Performance**

In January 2016 trustees approved a new five year Strategic Framework for the Trust (2016-21). This outlined our vision, mission, values, cross-cutting themes, models of working and strategic objectives.

### **Strategic Objectives:**

The Trust's five strategic objectives for 2016/21 are:

#### **Strategic Objective 1**

To develop and promote evidence of effective policy and practice for young adults and women at all stages of the criminal justice system, and to enable the voices of those directly affected to be heard.

#### **Strategic Objective 2**

To promote an immigration system that is fair to both migrants and established residents and a policy and public debate on migration and integration that is based on shared values as well as evidence.

#### **Strategic Objective 3**

To support practical and effective approaches to improving the economic inclusion of communities and reducing economic injustice.

#### **Strategic Objective 4**

To use all the Trust's assets for the advancement of social justice.

#### **Strategic Objective 5**

To ensure that the organisation is fit for purpose to deliver its Strategic Framework, to support trustees in their stewardship of the Trust and to support staff to work efficiently and effectively.

### **The Past Year:**

#### **Operational Objectives 2018/19:**

The Operational Plan for 2018/19 identified 40 operational objectives for the year across the five Strategic Objectives, against which progress is closely monitored and reported to the Board.

#### **Activities**

The Trust works to achieve its objectives through grant making, outreach, commissioning research, facilitating alliances and partnerships and adding value to grants through capacity building, leadership and learning support.

#### **New programme approvals in 2018/19**

The following table includes the total value of programme approvals in 2018/19 for each of the three programme areas and the two other associated funding streams. These included restricted funds, in particular for the Connect Fund and Fair By Design Campaign, and part of Cross-Cutting as noted. Further details of restricted funding are included in note 20 of the accounts.

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	£ '000
Criminal Justice	1,025
Migration	1,133
Economic Justice	1,048
Cross cutting & Promoting Philanthropy <i>(includes £190,000 of restricted funds)</i>	537
Connect Fund	1,083
Fair By Design Campaign	75
Social investment impairments	500
TOTAL	5,401

**Key achievements 2018/19:**

**Strategic Objective 1 – Criminal Justice**

**Our work on the Criminal Justice Programme has centred principally around progressing the Transition to Adulthood Alliance (T2A) which is a collaborative effort of 16 key organisations working to embed an age appropriate approach to the post juvenile age group (c. 18-25) across the criminal justice system.**

**Principal Achievements:**

- Significant policy and influencing opportunities:
  - Worked with the Ministry of Justice to implement the recommendations of the Justice Select Committee particularly in the prisons estate;
  - More than two thirds of Police and Crime Commissioners now identify the transition to adulthood as a priority for their police area.
  - Series of round tables with Police and Crime Commissioners on women's experience at party conferences.
  - Crown Prosecution Service guidance now recommends maturity as well as age be taken into account until young adults reach mid-twenties.
  
- Significant projects came to fruition:
  - T2A member Alison Thorne's secondment to the Ministry of Justice to help implement the T2A proposition is evidence of T2A's core work coming to fruition.
  - June 2018 saw the publication of the Female Offender Strategy, placing women's centres at its centre, as long advocated by the Trust and Corston Independent Funders Coalition.
  
- Significant approaches:
  - Supporting a women's leadership retreat.
  - Deepening our engagement with 'experts by experience' through Leaders Unlocked.
  - Convening a cohort of Muslim focussed organisations and supporting their collective learning and exchange.

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- Continuing strategic input to Equal (previously the Young Review) working to implement the Lammy recommendations on BAME disproportionality.
- Significant publications:
  - Police Foundation 'Policing and Young Adults: A tailored approach'.
  - Centre for Justice Innovation (CJI) – a learning document on 'procedural justice'.
  - Arooj – 'Faith, Family and Crime' – an exploration of the impact of contact with the criminal justice system on Muslim families.

**Strategic Objective 2 – Migration**

**Our work on the Migration programme has centred principally around opening up public debate on migration and integration over a number of years. Since the referendum of June 2016 we have stepped up our work to support migrant voices together with those of established (receiving) communities and to respond collaboratively to the current refugee crisis in Europe.**

**Principal Achievements:**

- Significant policy and influencing opportunities:
  - In May 2018 we jointly ran a day conference at the British Library with British Future and Hope not Hate on the emerging findings of the National Conversation on migration and integration commissioned by the Home Affairs Select Committee.
  - The Migration Observatory at Oxford University continues to play a central role in debates about migration and integration, with an impressive media exposure, particularly with the 'red tops'.
  - The Lift the Ban campaign to remove the barrier to asylum seekers working after six months has had considerable traction both in parliament and with industry champions.
- Significant projects came to fruition:
  - IMiX organised bespoke media training for sector leaders.
  - Development work over the previous year came to fruition this year with the establishment of an NGO coordination approach on migration and integration in Birmingham and the Black Country.
- Significant publications:
  - Migration Policy Institute (Europe) – 'After the Divorce: British families living in the EU27 post Brexit'.
  - Coram – 'Uncertain Futures – the EU settlement scheme and children and young people's right to remain in the UK'.
  - My Life My Say – 'Building Bridges – A youth vision for a common future after Brexit'.

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**Strategic Objective 3 – Economic Justice**

**Our Economic Justice Programme has been further refined to focus more fully on several areas of work: local economies (especially Birmingham), fairer financial systems and savings and debt.**

**Principal Achievements:**

- Significant policy and influencing opportunities:
  - The establishment of the West Midlands Combined Authority Inclusive Growth Unit, to which the Trust is contributing both financially and strategically.
  - Our partners Child Poverty Action Group, the Women's Budget Group, Fawcett Society and Scope have highlighted shortcomings in the social security system, particularly Universal Credit, and a modified approach has been adopted.
  - ShareAction's work on the Living Wage has resulted in 37 FTSE 100 companies becoming real Living Wage employers.
  
- Significant projects came to fruition:
  - The Birmingham Poverty Truth Commission's first phase of work concluded. Successes include changes in many schools to school uniform policies and a changed city-wide approach to working with carers.
  - The RSA's Citizens' Economic Council approach has been adopted by the Bank of England which will now seek to implement regional citizens' councils.
  
- Significant publications:
  - Ippr – 'An Equal Exit? – the distributional consequences of leaving the EU'.
  - Smith Institute – 'The Local Living Wage Dividend: an analysis of the implications of the Living Wage on ten city regions'.
  - New Policy Institute – 'The State of Economic Justice in Birmingham and the Black Country'.

**Strategic Objective 3 – Economic Justice – continued**

**Fair By Design Campaign – Being poor shouldn't cost more.**

Fair By Design is a Campaign to 'design out' the poverty premium within a decade. It runs parallel to a Venture Fund investing in innovations, particularly in fin-tech, to better deliver products to low income households at fairer cost.

Fair By Design is not a grant programme; it is financed by a collaborative of foundations and is run by the Barrow Cadbury Trust.

The Campaign has only been running since April 2018 but has already had considerable traction. It was launched with a compelling new identity at the party conferences in the Autumn, where our roadmap for tackling the poverty premium was launched to a warm reception from MPs and peers across the Houses of Commons and Lords.

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The Campaign is developing a role in 'curating' the efforts of various players in this space, as well as actively working to effect change in the policy and regulatory environment and in corporate sector offerings and products.

- We have been:
  - Building the evidence base for the poverty premium.
  - Engaging closely with the APPG on the Poverty Premium and with the Treasury Select Committee on access to financial services.
  - Developing the business case in order to work productively with businesses.
  - Embedding lived experience in the work through two cohorts of ambassadors.
  - Engaging in media work, particularly with the 'red tops'.
  
- Significant publications:
  - Fair By Design roadmap: Being poor shouldn't cost more.
  - WPI Economics – 'Insurance and the Poverty Premium'
  - Finance Innovation Lab – 'The Regulatory Compass – towards a purpose-driven approach to finance regulation'.
  - Toynbee Hall – 'Payday Denied – exploring the lived experience of declined payday loan applicants'.

**Cross-Cutting Themes and Promoting Philanthropy, and social investments**

In addition to our other programmes and social investment portfolio we earmarked a modest budget for related areas of work:

Firstly, we used some funding for work which **cuts across our programmes** but which trustees consider key to our mission.

- In line with our commitment to 'strengthening the hands of the change makers' we contributed both financial and intellectually to the Sheila Mckechnie Foundation Social Change Project (continuation/dissemination).
- In line with our commitment to racial justice we worked with other funders for race equality and contributed to a secretariat function for the Funders for Race Equality Alliance.
- In line with our commitment to strengthening civil society NCVO was supported to do dissemination work on the Charity Governance Code.

Secondly, we earmarked some funding to support the **promotion of philanthropy** including the exploration by others of social investment.

- Philanthropy Impact was supported with a core grant to invest in growth and impact.
- Paddington Development Trust was supported to develop a business case for a FTSE-funded new endowment for area-based work.

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**Strategic Objective 4: Using all the Trust's assets**

**Our approach is to use all the assets at our disposal to further our mission. This includes ourselves, our intellectual capital, our endowment (for grants and for social investments), our brand, our convening power and our office space.**

**Principal Achievements:**

- The investment portfolio, valued at £84.3 million at 31 March 2019, is managed by Sarasin and Partners whose performance is monitored through quarterly reports and regular meetings with the Investment Manager.
- During the year the Trust and Fund reviewed their investment management arrangements and went out to tender. After meeting with several leading charity investment managers it was decided to remain with Sarasin & Partners.
- Sarasin & Partners screen investments for negative exclusions and vote on behalf of the Trust and Fund on environmental, social and governance issues.
- The Trust is a founder member of the Charities Responsible Investment Network (which is facilitated by ShareAction) and is a member of the Church Investors Group. Through these vehicles we are increasing our shareholder activism and are also working with Sarasin & Partners to engage with companies relating to climate change. Our portfolio is aligned with Sarasin & Partners' Climate Active Fund which has resulted in divesting from several fossil fuel companies and actively engaging with others.
- The Trust has its main bank accounts in Triodos Bank, a bank with high ethical ranking.
- New social investments agreed in 2018/19 were:
  - A further £250,000 loan to Our Power Community Benefit Society to provide affordable energy to low income families, to add to the £250,000 already invested.
  - £250,000 investment in the Together Group to provide jobs and training opportunities for ex-offenders working in the building industry.
  - £250,000 investment in the Social and Sustainable Housing Fund, to provide funding for social organisations supplying housing for vulnerable people.
  - £250,000 investment in Microrainbow International to provide housing for LGBTI asylum seekers and refugees.
  - £50,000 investment in the EdAid Foundation to provide micro-loans to enable young UK residents to apply for UK citizenship.

- The actual investments made during the year were:

	£
Social Venture Fund II	12,964
Our Power Community Benefit Society	250,000
Five Lamps Trading	234,375
Fair By Design Venture Fund Limited Liability Partnership	57,737
Total	<u>555,076</u>

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- In January 2019 Our Power went into administration. The £500,000 investment has been fully provided for in the accounts. The Trust's board has discussed the implications and lessons learned in detail.
- Staff and trustees of the Trust are involved on the Boards of five of the existing social investments (see note 28 of the accounts) and play an active in social investment development, including:
  - Regular attendance at the Social Impact Investors Group, hosting meetings and participation on its steering group.
  - Speaking at ACF event on social investment.
  - Meetings with other Trusts and Foundations to discuss social investment.
  - Running the Connect Fund.

**In-kind and convening support:**

- British Future occupied five desks in our offices in 2018/19 free of charge. The work of the organisation is closely aligned with our own and the Trust played a key role in creating it. The estimated share of rent and other costs is £67,159.
- The Trust's meeting rooms were used by a variety of our partners and other sector colleagues throughout the year, again without charge, creating more 'mission value' from our central London venue. The meeting rooms were used by external organisations for an average of 88 hours per month. The estimated share of rent and other costs is £19,074.
- The Trust uses its convening power to bring together organisations and people for briefings, roundtables, learning events, cultural exchange and the spread of new practice. Examples in the year include a) a day learning conference for all grant holders of the Connect Fund; b) convening of key anti-poverty leaders in Birmingham and the Black Country; c) hosting a significant national conference at the British Library on the National Conversation - a depth exploration of public attitudes to migration and integration across the UK.
- The Trust's staff and trustees see the intellectual capital of the Trust as a resource for pursuing our mission. We therefore accept a large number of invitations to speak at or chair events in our areas of expertise. During the year these have included: social investment, ethical investment, governance, migration and refugee issues, equalities issues, strategic and family philanthropy, third sector research, criminal justice, implications of the referendum on membership of the E.U. both in the UK and in Brussels, impact measurement and VCS infrastructure. Senior staff also serve on a significant number of Boards and working groups relevant to our mission.

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**Strategic Objective 5 – Fit for Purpose Organisation**

**To achieve the maximum possible impact with our resource base, our governance and management need to be fit for purpose and continually improving. Our systems of all kinds must be suitable and constantly updated for the good stewardship and operational management of all our activities.**

**Principal Achievements:**

- Deepened the working relationship between the new Chair and the Chief Executive and provided trustees with various opportunities to represent the Trust at events of funded partners.
- Annual legal health check undertaken and relevant actions taken.
- Several trustees took up training opportunities, particularly in investment management.
- Spent reflective time out of the office on Away Days and Executive Team sessions.
- Recruited and inducted 9 new members of staff, integrating them carefully into the team and organisation's culture.
- Timely management accounts and quarterly reports to Board and IMC.
- All staff and trustees were appraised during the year. Staff each have clear objectives in their work plans and learning plans.
- Focussed more attention at board level on the cumulative impact of our work rather than our activities.
- Ensured information on the three main websites – Barrow Cadbury Trust, T2A and Connect Fund – is up to date.
- Commissioned and managed a full office refurbishment to accommodate enlarged staff team more efficiently and aesthetically.
- Calculated and published our gender and BAME pay gaps.

**Salaries – Gender and BAME comparisons  
As at 31 March 2019**

During the year we calculated our gender and BAME pay gaps. In an organisation as small as this (18 staff plus one vacancy) any movement in staffing can have a marked impact on results. We calculated by mean (average) and median (the middle salary if all are lined up in a row). These can differ markedly due to the distribution of seniority.

**Gender** – the staffing complement is 13 females and 5 males. Our pay gap at the year end was -3.6% (mean) and 0.0% median. This means on average women staff were paid more than men by 3.6% (mean) but exactly the same (median). In a staff team of this size, we consider this difference marginal.

**BAME** – We ask staff to self-define. The staffing complement is 8 BAME and 10 non-BAME. Our pay gap at the end of the year end was 14.7% (mean) and -4.6% median. This means on average BAME staff were paid 14.7% less (mean) but 4.6% more (median). This is because we have fewer BAME staff on the lower salary scales, but also fewer on the highest.

Clearly a gap of 14.7% is more than marginal and our progression pay scales will improve this at least over the next several years (assuming a static staff complement). However, we are encouraged by the

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'direction of travel' insofar as the BAME 'pipeline' of middle managers will hopefully hold more senior roles in the sector in years to come.

**Learning and development**

The Trust aims to learn from everything it does, develop its people so they are equipped to pursue its mission and share learning in a two-way process with our funded and other partners. As part of their learning and development trustees had issue-specific workshops relating to all our programmes and visited some of our funded projects. We are in the iterative process of developing a more sophisticated approach to evaluating our work and achievements and are committed to helping our partners do the same. We encourage staff to play an active role in civic life and to stretch themselves into new areas of learning.

During the year we funded or undertook a number of additional learning activities:

**Internal:**

- Trustee group visits to the Geese Theatre Company, Birmingham in April 2018, Koestler Trust Women Prisoners' Art Trail and the Supreme Court in July 2018, Locality in October 2018 and Sheila McKechnie Foundation and FLEX in January 2019.
- Most trustees also represented the Trust at other events through the year, each of which offered a learning opportunity.
- Kept trustees abreast of the work of the Trust between Board meetings through weekly email updates and early view of all publications in which the Trust is involved on the eve of publication.
- Kept trustees informed of governance and other key sector issues through circulation of relevant publications and information.
- Ensured individual learning plans were in place for all staff.
- Gave opportunities to 'back office' staff to visit funded projects, attend programme related events and meet counterparts in other trusts.
- Recruited a London Living Wage Intern in April 2018 and gave him significant development opportunities; he was recruited to an officer post at the Equality Trust (March 2019).

**External:**

- Participated in the Social Impact Investment Group of trusts and foundations.
- Brought networks of funded partners together to learn from each other on all our funded programmes.
- Continued to convene learning networks across our programmes, notably T2A, chairing European Foundation Centre's Diversity, Migration and Integration Group (DMIG) and contributing to Migration Exchange, EPIM and the Thomas Paine Initiative.
- Hosted seminars to disseminate, promote and discuss various research publications supported with our funding.

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**Financial review**

The income for the group was £4,208,000 (2018 - £4,550,000). Total resources expended were £7,503,000 (2018 - £5,807,000) resulting in net outgoing resources, before gains and losses on investments, of £3,295,000 (2018 - £1,257,000).

As in previous years there are net outgoing resources. This is in line with the strategic decision by the trustees to spend both capital and income in the near term. The trustees keep the long term effect of this under review.

There were investment gains of £4,122,000 (2018 – £280,000), resulting in a net increase in funds of £827,000 (2018 – decrease of £977,000). This was in keeping with market performance and our investment managers performed broadly in line with the benchmark set for them.

The total spend for the group on social justice and grant-making during the period was £7,131,000 (2018 - £5,437,000). A major factor in the increased expenditure was the use of restricted funds, in particular the Connect Fund, Fair By Design Campaign and third party funds for the Funders for Race Equality work.

As the group's funds are held as expendable endowment, the trustees do not operate a reserves policy, but manage the balance between short and long term financial objectives through their grant making and investment policies. Designated funds represent funds committed to social investments and amounts set aside for particular activities (see note 19). There are some restricted funds which we have received from other organisations for specific pieces of work.

**Investment policy and performance**

The investments of the Trust and Fund have been managed since 2008 by Sarasin & Partners in accordance with the terms and conditions of a formal asset management agreement. This is overseen by the Investment Management Committee, a sub-group of the Trustee Board, which also has two appropriately skilled external co-opted members and the Trust's Chief Executive. It meets quarterly to monitor investment and social investment performance and has oversight of the Connect Fund.

During 2018/19, Sarasin & Partners achieved a total return (i.e. both investment income and capital growth/loss) of 7.7% on the investment portfolio. In order to ameliorate the risk of currency fluctuations there are forward currency transactions amounting to approximately 50% of the value of the investments held in foreign currency.

The main purpose of the investments is to provide a financial return to fund the activities of the Trust. This is balanced with the need to protect and enhance the value of the Trust while taking a responsible and ethical approach to investing.

The three objectives are:

- To achieve a total financial return which matches or exceeds its benchmarks.
- To take a responsible and ethical approach to investing, considering environmental, social and governance issues.
- To develop the social investment market.

The Trust and Fund avoid investments in companies which are associated with human rights

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violations or engage in activities that cause social harm. Specifically the Trust and Fund avoid investments in companies which are materially involved in the production or sale of armaments, tobacco, alcohol, gambling or pornography. The Trust and Fund will not hold any government bonds in countries with high military expenditure.

The Trust also aims to actively engage with the investee companies, both directly and through its investment managers, to try and improve company practice. We recognise that working with other investors will increase the impact of such engagement and are an active member of the Charity Responsible Investment Network, facilitated by Share Action, and the Church Investors Group.

The Trust is aware of the significant negative impacts of climate change and the need to take action with regard to fossil fuel company investments. The Trust will:

- Engage more intensively with investee companies that make a significant contribution to greenhouse gas emissions, whether producers or users, to encourage them to move to a low carbon economy. Where it is considered that the companies are not taking seriously their responsibilities to move to a low carbon economy then the Trust will divest.
- Engage more intensively with public policy makers with the aim of creating a structural and regulatory environment that supports the transition to a low carbon economy.
- Seek to make investments which have a positive environmental impact, subject to the availability and suitability of such investments.

The Investment Management Committee reviews the investments regularly to ensure that the ethical criteria are adhered to and reports to the Board quarterly.

**Social Investment**

Since 2010 we have used part of the endowment to invest in programme related investments in charities and social enterprises, aiming to achieve both a social impact and a financial return with the funds.

We committed to four new investments and one addition to an existing investment during 2018/19 with a total value of £1,050,000 with the aim of building a varied portfolio which will both further our programme aims and develop the social investment market. In each case, systems are in place for capturing social impact.

Current investments are as follows:

Programme related investment	Current investment commitment £	Actual investment (at cost) at 31 March 2019 £
Social Justice & Human Rights Centre Ltd	500,000	500,000
Ethex	40,000	40,000
Bristol Together	200,000	200,000
Big Issue Invest Social Enterprise Investment Fund	99,742	99,742
Children Support Services Ltd	19,355	19,355
Social Venture Fund	250,000	214,936

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Trustees' report for the year ended 31 March 2019**

Community Share Underwriting Fund	53,929	53,929
Fair For You	250,000	250,000
Charity Bank	250,000	250,000
Street UK	108,631	108,631
Community Channel	50,000	50,000
Thrive Renewables	100,000	100,000
Ashley Community Housing	200,000	200,000
Fair By Design Venture Fund	250,000	68,369
Five Lamps Trading	250,000	234,575
Together Group	250,000	-
Social and Sustainable Housing Fund	250,000	-
Microrainbow International	250,000	-
EdAid Foundation	50,000	-
<b>Total</b>	<b>3,421,656</b>	<b>2,389,335</b>
Less: Provisions for impairments		(127,500)
<b>Balance per accounts</b>		<b>2,261,835</b>

### **The Connect Fund**

The Trust runs the Connect Fund with resources from the Access Foundation. This is a fund for grants and possibly social investment to build better infrastructure for the social investment landscape, particularly for new entrants and markets.

Building on a successful first year, by May 2018 two substantial portfolios of grants had been awarded and many projects were underway. One cohort is in social investment infrastructure, the second mainly in local infrastructure. This year the work has focussed more on developing and managing the portfolio.

Areas of work include shared data, networks, impact tools and improving diversity. The second tranche mainly supports CVSs, equalities and sub-sector specialist organisations to improve their 'offer' regarding social investment support to their members/constituencies.

We are pleased to report a very wide spread across the English regions, with only nationally focussed work being supported in London.

Key achievements in the year:

- Built a solid learning community using a combination of face to face and online methods.
- Recruited two further staff to manage a much bigger portfolio than was originally envisaged.
- Set up a Steering Group to devise and plan The Gathering, a conference of over 150 key actors in social investment in Leicester (March 2019).
- Made significant progress in developing diversity in the sector.
- Began making 'legacy' plans for housing the work outputs after the Connect Fund is wound down (probably 3-5 years hence).
- Made the Fund's first social investment.

## **Plans for future periods**

The coming year will see the implementation of the fourth year of the Strategic Framework 2016-21. An Operational Plan for the year 2019/20 is in place, the outline objectives of which are shown below against the Trust's five Strategic Objectives.

### **Strategic Objective 1: Criminal Justice**

#### **In 2019/20 we will:**

- Prioritise in T2A continuing to collate evidence and press for change at key stages of the Pathway; embedding practice change more solidly by packaging the evidence base for practitioner groups; re-invigorating the Alliance by including T2A grant-holders in the membership and building a penumbra of signed-up supporters. We will also include work on young adult victims (including where young adults are both victim and offender).
- Focus on developing a higher profile in Birmingham. Following the release of the Civil Society Futures inquiry on shifting power, bridging divides and by learning from the 'place-based' approach, the Criminal Justice Programme Manager will investigate with local stakeholders how the CJP can best focus its resources to make a real difference. One option which will be explored is to focus the programme on voices of young people, particularly those from sections of the community who are further from power.
- Seek opportunities for young people to have their say; service user voices remain crucial but so do the voices of their peers in the community who see, hear and have views on the criminal justice services but are not directly affected.
- Identify where individual grants to third party organisations could contribute to EQUAL's evidence base and practice change in BAME disproportionality in the criminal justice system. We will also continue working with Muslims groups, including convening a small national conference.

### **Strategic Objective 2: Migration**

#### **In 2019/20 we will:**

- Work to help ensure that the **settlement scheme** for EU migrants runs smoothly and does not overlook potentially vulnerable groups e.g. Transition Advice Fund, Roma Support Group, potential new engagement with the 3 million and possibly additional communications related work.
- Work on **citizenship**, particularly removing barriers such as cost e.g. We Belong, Kids in Need of Defence pro bono advice network.
- Scope the **changing media landscape** in relation to addressing prejudice and anti-immigrant rhetoric. Promoting greater co-operation between immigration and race equality campaigns and campaigners given the threat that radical right movements.
- Continue to focus on **addressing anti-Muslim prejudice** e.g. the Independent Commission on UK counter-terrorism policy, work on developing a representative panel of Muslims that can facilitate surveys about their views.

**The Barrow Cadbury Trust (a company limited by guarantee)  
Trustees' report for the year ended 31 March 2019**

- Ensure the **Birmingham NGO co-ordination initiative** is developed successfully and that local civil society groups are driving its work.
- **Focus on advocacy** and continue work to develop an overarching vision for future immigration and integration policy e.g. policy work on the right to work for asylum seekers; immigration detention; family migration; labour exploitation; integration.
- **Continue to develop strategic communications** with a focus on preparedness within the sector and beyond to respond to a range of possible outcomes in relation to Brexit and other external developments.

**Strategic Objective 3: Economic Justice**

**In 2019/20 we will:**

- Continue to build strong relationships within the West Midlands Combined Authority (WMCA) and refresh the Trust's contacts in Birmingham and the Black Country at a senior level across sectors to embed local economies thinking into strategic plans and interventions.
- Focus attention and preparation within the local authority, voluntary and private sectors on the roll out of universal credit across Birmingham and the Black Country and the wider Combined Authority.
- Continue to build a jigsaw of pieces of local economic development practice work which can be fed into the local authority and WMCA, but also to local authorities across the country. Link this work with Matthew Brown's movement building work (Wigan) and ensure that the Trust's evidence is shared in a timely fashion with other funders working in the community wealth building space
- Strengthen relationships with funders with an interest in issues of poverty through the Association of Charitable Foundations Issue Based Network on Poverty, and partnerships on relevant grants. Use a growing cluster of work on inequality (high and low pay, lack of voice and influence and tax justice) to stimulate debate with these on wider issues of inequality.
- Monitor emerging conversations across sectors on deliberative democracy and other forms of participation which give people a stronger voice on economic issues and ensure that the Trust's experience and networks can contribute effectively to these
- Enable those in financial hardship to influence economic policy in Birmingham and the surrounding area and include voices/direct experience of those in financial hardship.

**Strategic Objective 3: Economic Justice: Fair By Design Campaign**

**In 2019/20 we will:**

**1. Build the case-**

- Creation of the business case for tackling the Poverty Premium aimed at corporates including its launch and influencing plan.

**The Barrow Cadbury Trust (a company limited by guarantee)  
Trustees' report for the year ended 31 March 2019**

- Developing joint research projects with organisations that share a similar client base and are tackling issues that are co terminus with ours.
- 2. Create a strong influencing strategy-**
- Aimed at key audiences: regulators (through responding to consultations and relationship building) businesses (through launch and influencing plan of the Business Case for tackling the Poverty Premium), Government (through joint report launch of APPG on Poverty Inquiry into the Poverty Premium, briefings and submissions and influencing Party manifestos) and other stakeholders (namely Housing Associations and supportive Employers)
- 3. Build a groundswell of support-**
- Through creation of a communications strategy including a range of public engagement campaigning mechanisms
  - Development of an integrated website including becoming a hub for good practice in tackling the Poverty Premium.
  - Development of a formal alliance starting with co-authors of the roadmap and broadening out to other stakeholders.
  - Working closely with the Fund on their roadshow events in relation to joint marketing opportunities
- 4. Implement plans to embed lived experience-**
- Through work with Toynbee Hall to create a group working closely with both the Investment Fund and new ventures to inform Investment decisions, and with Gingerbread to create a network of campaign ambassadors

**Strategic Objective 4: Using all our assets**

**In 2019/20 we will:**

- Continue the use of our staff's expertise to benefit the broader sector where appropriate.
- Involve staff and trustees in promoting and democratising philanthropy, including family philanthropy.
- Continue the interrogative oversight of the investment portfolio.
- Continue to develop responsible investment approaches, via shareholder activism.
- Continue activity in the social investment field both to advance social justice and to develop the social investment market

**Strategic Objective 5: Fit for purpose organisation**

**In 2019/20 we will:**

- Make adjustments following the feedback from 2018 trustee appraisals.
- Recruitment of an additional non-family trustee.
- Maintain the Trust's performance management approach through objective setting, regular line management and appraisals for all staff.
- Specifically ensure the Fair By Design Campaign is adequately managed and supported as a new mode of delivery for the Trust's work.

**The Barrow Cadbury Trust (a company limited by guarantee)  
Trustees' report for the year ended 31 March 2019**

- Maintain a robust and interrogative relationship with our investment managers.
- Undertake an auditors 'beauty parade' in 2020.
- Appropriately develop our social media footprint through more blogging, tweeting and improvements to websites. Consider Wikipedia.
- Cut meat out of our catering for most lunchtime events and drive one-use plastic use down.
- Investigate carbon off-setting.

**Investment**

**In 2019/20 we will:**

- Ensure the management of the investment portfolio is of a high standard and produces the required returns.
- Monitor long term projections of the endowment and undertake spending review in preparation for 2021-26 strategic review.
- Through negative screening and discussions with investment manager ensure investments held do not contravene the Trust's ethical policy.
- Actively engage with investee companies.
- Take a responsible approach to investing, considering environmental, social and governance issues and engaging with shareholder action.

**Social Investment**

**In 2019/20 we will:**

- Make further investments in new and innovative products which support the development of the social investment market, including new models of working and providing risk capital which is otherwise hard to raise.
- Engage with other social investors to share learning and encourage greater development of the market.

**The Connect Fund**

**In 2019/20 we will:**

- Progress the three emerging funding streams for future Connect Fund grants and investments.
- Maintain frontline relationships with partners in the existing portfolio.
- Explore collaborations and possible joint funding with key agencies in the related space.
- Continue the ongoing formative evaluation of the Connect Fund with New Philanthropy Capital, our learning partners.
- Develop and report against the impact indicators in the refreshed evaluation framework, responding iteratively to feedback.
- Engage with a wider audience by developing the learning community using a variety of media, tools and formats to convene key sector actors.
- Maintain a positive relationship with the Access Foundation and its Board.

**Strengthening civil society**

In 2019/20 we will continue to spend more than our income given the long term nature of our work

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Trustees' report for the year ended 31 March 2019**

in hand although the board will also review spending plans for the 2021-26 period. We aim to strengthen the capacity of our funded partners where we can and will continue to use our convening power and act as an 'honest broker' in the sector. We will continue our dialogue with key infrastructure organisations in order both to learn from them and to support them as they develop their strategic thinking. Specifically, we will work with others to improve leadership development and succession in the sector and to protect the independent advocacy voice of civil society.

**Cross cutting work and Promoting philanthropy**

Because our programmes have a considerable degree of focus, we can sometimes find ourselves wanting to fund something we see as core to our vision and mission but does not closely fit the criteria of one funding programme. For this reason we will continue to set aside some budget for work which cuts across programmes but which we see as essential. This will include work on human rights, gender and other equalities issues as well as supporting and enabling key leaders and networks to function productively. Similarly, as a family foundation we set aside a modest budget to support philanthropic development and promotion.

**Funders' infrastructure**

Working collaboratively with other trusts and foundations enables us to represent our views on charity law and philanthropy to government as well as to learn from others and improve our practice. To these ends we will be active members of the Association of Charitable Foundations, the European Foundation Centre, the European Venture Philanthropy Association and Ariadne global human rights funders network in the year ahead.

**Statement of Trustees' responsibilities**

The trustees (who are also directors of The Barrow Cadbury Trust 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 year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Trustees' report for the year ended 31 March 2019**

In so far as the trustees are aware:

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

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

The trustees' report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees and signed on their behalf by:

**Erica Cadbury**  
**Chair of Trustee Board**  
13 July 2019

## **The Barrow Cadbury Trust (a company limited by guarantee)**

### **Independent Auditor's report for the year ended 31 March 2019**

#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BARROW CADBURY TRUST**

##### **Opinion**

We have audited the financial statements of The Barrow Cadbury Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 group's and of the parent charitable company's affairs as at 31 March 2019 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

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

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

##### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report other than the group financial statements and our auditor's report thereon. Our opinion on the group financial statements does not cover the

## **The Barrow Cadbury Trust (a company limited by guarantee)**

### **Independent Auditor's report for the year ended 31 March 2019**

other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the group financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 require us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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.

## **The Barrow Cadbury Trust (a company limited by guarantee)**

### **Independent Auditor's report for the year ended 31 March 2019**

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

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 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 on the effectiveness of the group's or the parent 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 group's or the parent 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 auditor's 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 auditor's report. However, future events or conditions may cause the group or the parent 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

## **The Barrow Cadbury Trust (a company limited by guarantee)**

### **Independent Auditor's report for the year ended 31 March 2019**

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Elliott (Senior statutory auditor)

13 July 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Consolidated statement of financial activities for the year ended 31 March 2019**  
**(incorporating an income and expenditure account)**

		2019			2018		
	Note	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
<b>Income from:</b>							
Charitable activities	2	24	1,575	1,599	1	1,623	1,624
Investments	3	2,609	-	2,609	2,926	-	2,926
<b>Total income</b>		<b>2,633</b>	<b>1,575</b>	<b>4,208</b>	<b>2,927</b>	<b>1,623</b>	<b>4,550</b>
<b>Expenditure on:</b>							
Raising funds							
Investment management costs		372	-	372	370	-	370
Charitable activities							
Social justice and grant making	6						
Criminal justice		1,233	-	1,233	1,198	45	1,243
Migration		1,357	60	1,417	1,101	(8)	1,093
Economic Justice		1,269	-	1,269	1,196	-	1,196
Philanthropy, crosscutting & other		1,060	130	1,190	578	8	586
Connect Fund		183	1,322	1,505	-	1,196	1,196
Fair By Design		158	273	431			-
Voluntary sector use of premises		86	-	86	123	-	123
		<b>5,346</b>	<b>1,785</b>	<b>7,131</b>	<b>4,196</b>	<b>1,241</b>	<b>5,437</b>
<b>Total resources expended</b>		<b>5,718</b>	<b>1,785</b>	<b>7,503</b>	<b>4,566</b>	<b>1,241</b>	<b>5,807</b>
Net expenditure before gains & losses on investments		(3,085)	(210)	(3,295)	(1,639)	382	(1,257)
Net gains/(losses) on investments		4,122	-	4,122	280	-	280
<b>Net movement in funds</b>		<b>1,037</b>	<b>(210)</b>	<b>827</b>	<b>(1,359)</b>	<b>382</b>	<b>(977)</b>
Fund balances brought forward		85,784	416	86,200	87,143	34	87,177
<b>Fund balances carried forward</b>		<b>86,821</b>	<b>206</b>	<b>87,027</b>	<b>85,784</b>	<b>416</b>	<b>86,200</b>

All the above results are derived from continuing activities.

All recognised gains and losses in the current and prior year are included in the statement of financial activities.

**The Barrow Cadbury Trust (a company limited by guarantee)**

Company number: 5836950

**Balance sheets at 31 March 2019**

	Notes	Group		Charity	
		2019	2018	2019	2018
		£'000	£'000	£'000	£'000
<b>Fixed Assets</b>					
Tangible assets	11	34	-	34	-
Investments	12	84,272	82,227	72,659	71,098
Programme related investments	13	2,262	2,464	2,207	2,409
		<u>86,568</u>	<u>84,691</u>	<u>74,900</u>	<u>73,507</u>
<b>Current assets</b>					
Debtors due within one year	14	569	606	552	515
Short term deposits		2,473	2,056	2,473	2,056
Cash at bank and in hand		2,316	2,797	2,284	2,559
		<u>5,358</u>	<u>5,459</u>	<u>5,309</u>	<u>5,130</u>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	15	(3,796)	(3,069)	(3,681)	(2,761)
		<u>1,562</u>	<u>2,390</u>	<u>1,628</u>	<u>2,369</u>
<b>Net current assets</b>					
		<u>88,130</u>	<u>87,081</u>	<u>76,528</u>	<u>75,876</u>
<b>Total assets less current liabilities</b>					
Creditors: amounts falling due after more than one year	16	(1,103)	(881)	(1,034)	(844)
		<u>87,027</u>	<u>86,200</u>	<u>75,494</u>	<u>75,032</u>
<b>Total net assets</b>					
<b>The funds of the charity</b>					
17					
Unrestricted funds					
Expendable endowment funds		60,101	61,430	60,101	61,430
Investment revaluation reserve		11,457	9,628	11,457	9,628
Designated funds	19	3,765	3,558	3,765	3,558
		<u>75,323</u>	<u>74,616</u>	<u>75,323</u>	<u>74,616</u>
Restricted funds					
20					
Funds retained within a non-charity subsidiary (The Barrow Cadbury Fund)					
22					
Profit and loss account		9,629	9,549	-	-
Designated Funds	18	115	155	-	-
Restricted Funds	20	35	-	-	-
Investment revaluation reserve		1,754	1,464	-	-
Total charity funds	21	<u>87,027</u>	<u>86,200</u>	<u>75,494</u>	<u>75,032</u>

The financial statements were approved by the trustees on 13 July 2019 and signed on their behalf by:

Erica Cadbury  
Chair

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Consolidated statement of cash flows**  
**For the year ended 31 March 2019**

	Note	2019	2018
		£'000	£'000
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	22	<b>(4,361)</b>	(3,782)
<b>Cash flows from investing activities</b>			
Investment income		<b>2,490</b>	2,755
Social investment income		<b>119</b>	171
Purchase of fixed assets		<b>(41)</b>	-
Proceeds from sale of investments		<b>22,545</b>	26,128
Purchase of investments		<b>(18,409)</b>	(25,199)
Foreign exchange (payments)/proceeds		<b>(1,143)</b>	1,238
Increase in cash held by investment manager		<b>(916)</b>	(452)
Proceeds from sale/redemption of social investments		<b>257</b>	521
Purchase of social investments		<b>(605)</b>	(550)
<b>Net cash provided by investment activities</b>		<b>4,297</b>	4,612
<b>Change in cash and cash equivalents in the year</b>		<b>(64)</b>	830
Cash and cash equivalents at beginning of year		<b>4,853</b>	4,023
<b>Cash and cash equivalents at end of year</b>	23	<b>4,789</b>	4,853

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

**1. Accounting policies**

(a) The Barrow Cadbury Trust is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is Kean House, 6 Kean Street, London WC2B 4AS.

(b) 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.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

(c) Basis of preparation - group accounts

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary The Barrow Cadbury Fund Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

(d) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

(e) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(f) Income - general recognition criteria

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

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

Dividends are recognised when they are declared.

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

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

(g) Fund accounting

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

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes. These include expendable endowment funds which comprise the Trust's capital fund, the income from which, together with capital sums approved by the trustees, may be applied for any purpose within the charity's objects. The Investment Revaluation Reserve is the difference between the historic cost and the year end valuation of the investment portfolio.

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

(h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds includes the fees paid to investment managers in connection with the management of the charity's listed investments.

Expenditure on charitable activities includes the costs of grants and other activities undertaken to further the purposes of the charity and their associated support costs.

Gifts in kind (use of premises) represents the use of the office by external organisations, both working space and use of meeting rooms. The monetary value of these donated services is, for the meeting rooms, based on the usage and meeting room area as a proportion of the office area and costs, and for the office use on the head count of external organisations as a proportion of the total office head count and costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(i) Allocation of support costs

Where costs, including programme staff costs, relate directly to a particular programme then they are allocated to that programme.

Support costs, comprising the staff and overhead costs of the central function, are apportioned to the main programmes based on the time spent by employees in processing and monitoring grants and other programme work.

Governance costs include costs relating to the public accountability of the charity and its compliance with regulation and good practice. These are allocated to the programmes in the same proportions as the support costs.

(j) Grants payable

Grants payable are charged to the statement of financial activities in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the relevant conditions 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.

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

(k) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the minimum lease term.

(l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold improvements	Over life of lease
Fixtures and fittings	3 years
IT and communications equipment	3 years

(m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as an investment revaluation reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

(n) Programme related investments

Programme related investments are valued at fair value, if such a value can be measured reliably, or at cost less any impairment or capital repayments.

(o) Debtors

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

(p) Cash at bank and in hand

Cash at bank and cash 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.

(q) Short term deposits

Short term deposits include cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

(r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has 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.

(s) Pensions: defined contribution

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

(t) Foreign currency translations

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average rate of exchange for the year. Exchange differences are taken into account in arriving at the net incoming resources for the year.

**2. Charitable Activities**

Charitable activities represent grants and donations from other charitable foundations for specific activities. More detail is included in note 20.

**3. Investment income and interest receivable**

All income listed is unrestricted, for both 2018 and 2019.

	<b>2019</b>	2018
	<b>£ '000</b>	£ '000
Income from listed investments	<b>2,461</b>	2,729
Interest receivable	<b>29</b>	26
Income from social investments	<b>119</b>	171
Total	<b><u>2,609</u></b>	<u>2,926</u>

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

**4. Net outgoing resources for the year**

Net outgoing resources for the year is stated after charging:

	<b>2019</b>	2018
	<b>£ '000</b>	£ '000
Auditor's remuneration (excluding VAT)		
Group – for audit	<b>13</b>	13
(of which the charity amounts to)	<b>9</b>	9
Group – for other services	<b>1</b>	1
Depreciation of tangible fixed assets	<b>7</b>	6
Rentals payable under operating leases	<b>179</b>	164
Trustee professional indemnity insurance	<b>1</b>	1
Trustee meeting and travelling expenses and learning and development	<b>21</b>	20

**5. Grants awarded by the group**

The number of grants approved during the year were as follows:

Programme	<b>2019</b>	2018
	<b>Number</b>	Number
Criminal justice	<b>25</b>	30
Migration	<b>25</b>	18
Economic Justice	<b>29</b>	24
Connect Fund	<b>29</b>	27
Fair By Design	<b>5</b>	-
Philanthropy, Cross-Cutting & other	<b>16</b>	23
Total	<b>129</b>	122

All of the grants made by the Trust were for institutions, none were for individuals. Further details about the individual programmes are included in the Trustees' report and on the Trust's website [www.barrowcadbury.org.uk](http://www.barrowcadbury.org.uk).

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

**6. Social justice and grant making**  
**2019**

	<b>Criminal Justice</b>	<b>Migration</b>	<b>Economic Justice</b>	<b>Philanthropy &amp; other</b>	<b>Connect Fund</b>	<b>Fair By Design Campaign</b>	<b>Voluntary sector use of premises</b>	<b>Total 2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<u>Direct costs</u>								
Projects, campaigns & partnerships	1,025	1,133	1,048	1,037	1,083	75	-	<b>5,401</b>
Direct staff and property costs	104	149	108	84	239	218	71	<b>973</b>
	<b>1,129</b>	<b>1,282</b>	<b>1,156</b>	<b>1,121</b>	<b>1,322</b>	<b>293</b>	<b>71</b>	<b>6,374</b>
<u>Support costs</u>								
Management & administrative staff	52	68	57	35	93	70	8	<b>383</b>
Property	30	38	32	20	52	40	4	<b>216</b>
Governance	9	12	10	6	15	11	1	<b>64</b>
Other support costs	13	17	14	8	23	17	2	<b>94</b>
<b>Total 2019</b>	<b>1,233</b>	<b>1,417</b>	<b>1,269</b>	<b>1,190</b>	<b>1,505</b>	<b>431</b>	<b>86</b>	<b>7,131</b>

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

2018 Comparative figures								
	Criminal Justice	Migration	Economic Justice	Philanthropy & other	Connect Fund	Fair By Design Campaign	Voluntary sector use of premises	Total 2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Direct costs</u>								
Projects, campaigns & partnerships	920	769	879	483	1,093	-	-	4,144
Direct staff and property costs	110	112	104	57	103	-	95	581
	1,030	881	983	540	1,196	-	95	4,725
<u>Support costs</u>								
Management & administrative staff	114	114	114	25	-	-	16	383
Property	48	47	48	10	-	-	6	159
Governance	18	18	18	4	-	-	2	60
Other support costs	33	33	33	7	-	-	4	110
<b>Total 2018</b>	<b>1,243</b>	<b>1,093</b>	<b>1,196</b>	<b>586</b>	<b>1,196</b>	<b>-</b>	<b>123</b>	<b>5,437</b>

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

**7. Governance costs**

<b>For the group</b>	<b>2019</b>	<b>2018</b>
	<b>£ '000</b>	<b>£ '000</b>
Staff costs	<b>26</b>	24
Auditor's remuneration	<b>16</b>	16
Trustee meeting and travelling expenses and learning and development	<b>21</b>	20
Legal and professional costs	<b>1</b>	-
<b>Total</b>	<b>64</b>	<b>60</b>

**8. Staff numbers and costs**

Staff costs during the year were:

	<b>2019</b>	<b>2018</b>
	<b>£ '000</b>	<b>£ '000</b>
Wages and salaries	<b>802</b>	582
Social security costs	<b>87</b>	63
Employer's contribution to defined contribution pension scheme	<b>136</b>	115
<b>Total</b>	<b>1,025</b>	<b>760</b>

The average number of employees (head count based on number of staff employed) during the year was:

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Social justice and grant making	<b>13.8</b>	9.2
Support	<b>3.3</b>	3.4
Governance	<b>0.2</b>	0.2
<b>Total</b>	<b>17.3</b>	<b>12.8</b>

The following number of employees received employee benefits (excluding employer pension costs) during the year between:

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
£60,000 - £69,999	-	1
£70,000 - £79,999	<b>2</b>	1
£90,000 - £99,999	<b>1</b>	1

The total employee benefits including pension contributions and employer national insurance contributions of the key management personnel amounted to £337,408 (2018: £325,187).

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

Key management personnel received the following salaries, pension contributions and NI contributions.

**For 2019**

<b>Role</b>	<b>Salary</b>	<b>Employer pension contribution</b>	<b>Employer NI contribution</b>
	£	£	£
Chief Executive	96,620	28,677	12,171
Director of Programmes	70,418	20,711	8,555
Director of Finance and Administration	<u>74,560</u>	<u>16,569</u>	<u>9,127</u>
<b>TOTAL</b>	<u><b>241,598</b></u>	<u><b>65,957</b></u>	<u><b>29,853</b></u>

**Comparative figures for 2018**

<b>Role</b>	<b>Salary</b>	<b>Employer pension contribution</b>	<b>Employer NI contribution</b>
	£	£	£
Chief Executive	92,836	27,680	11,685
Head of Programmes	67,971	19,992	8,254
Head of Finance and Administration	<u>71,970</u>	<u>15,993</u>	<u>8,806</u>
<b>TOTAL</b>	<u><b>232,777</b></u>	<u><b>63,665</b></u>	<u><b>28,745</b></u>

The Barrow Cadbury Trust operates a salary sacrifice scheme for pension contributions, where the staff member may forego part of their salary in return for the Trust making an equivalent pension contribution. The above figures show the salaries and pension contributions after the salary sacrifice.

**9. Trustee remuneration and costs**

None of the trustees received any remuneration for their services during the year (2018 - nil). During the year travel expenses amounting to £12,603 (2018 - £10,413) were reimbursed to, or paid on behalf of, ten trustees (2018 – nine).

**10. Taxation**

Barrow Cadbury Trust is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities as it falls within the various exemptions available to registered charities. Its subsidiary donates surpluses and gains that would otherwise be taxable to the Trust.

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

**11. Tangible fixed assets**

For charity and group	Leasehold improvements £'000	Fixtures, fittings & equipment £'000	Computer equipment £'000	Total £'000
<b>Cost</b>				
At 1 April 2018	65	69	12	146
Additions	34	7	-	41
Disposals	(16)	(42)	(1)	(59)
At 31 March 2019	<u>83</u>	<u>34</u>	<u>11</u>	<u>128</u>
<b>Depreciation</b>				
At 1 April 2018	65	69	12	146
Charge for year	5	2	-	7
Disposals	(16)	(42)	(1)	(59)
At 31 March 2019	<u>54</u>	<u>29</u>	<u>11</u>	<u>94</u>
<b>Net book values</b>				
At 31 March 2019	<u>29</u>	<u>5</u>	<u>-</u>	<u>34</u>
At 31 March 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

All the above assets are used for charitable purposes.

**12. Investments**

	Group		Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
<b>Investments at market value</b>				
Market value at 1 April 2018	80,059	81,946	69,319	70,988
Additions at cost	18,409	25,199	14,499	21,833
Disposal proceeds	(22,545)	(26,128)	(18,273)	(22,696)
Investment gains/(losses)	5,265	(958)	4,555	(806)
Market value at 31 March 2019	<u>81,188</u>	<u>80,059</u>	<u>70,100</u>	<u>69,319</u>
Cash held by investment managers	3,084	2,168	2,559	1,779
	<u>84,272</u>	<u>82,227</u>	<u>72,659</u>	<u>71,098</u>
Historic cost of investments	<u>71,061</u>	<u>71,135</u>	<u>61,202</u>	<u>61,470</u>
<b>Reconciliation of investment gains with Statement of Financial Activities</b>				
Investment gains/(losses)	5,265	(958)	4,555	(806)
Foreign exchange contract (losses)/gains	(1,143)	1,238	(993)	1,072
Net gains/(losses) on investments	<u>4,122</u>	<u>280</u>	<u>3,562</u>	<u>266</u>

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

**Investments comprise the following:**

Fixed interest	<b>11,772</b>	11,413	<b>10,166</b>	9,921
UK equities	<b>16,556</b>	15,589	<b>14,288</b>	13,490
Global equities	<b>41,263</b>	38,086	<b>35,629</b>	32,942
Property	<b>8,059</b>	8,945	<b>6,956</b>	7,751
Alternative assets	<b>3,716</b>	5,957	<b>3,214</b>	5,155
Forward exchange contracts	<b>(178)</b>	69	<b>(153)</b>	60
Liquid assets	<b>3,084</b>	2,168	<b>2,559</b>	1,779
	<b>84,272</b>	82,227	<b>72,659</b>	71,098

Included in the investment valuation are forward exchange contracts entered into to ameliorate the risk of any currency fluctuations.

**13. Programme related investments**

	Group		Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
<b>Investments at cost</b>				
Cost less impairments at 1 April 2018	<b>2,464</b>	2,495	<b>2,409</b>	2,440
Additions at cost	<b>605</b>	550	<b>555</b>	550
Losses and impairments	<b>(550)</b>	(60)	<b>(500)</b>	(60)
Disposals and repayments	<b>(257)</b>	(521)	<b>(257)</b>	(521)
Cost less impairments at 31 March 2019	<b>2,262</b>	2,464	<b>2,207</b>	2,409
<b>Investments comprise the following:</b>				
Equities	<b>732</b>	763	<b>732</b>	763
Debt	<b>1,147</b>	1,344	<b>1,092</b>	1,289
Limited partnership	<b>383</b>	357	<b>383</b>	357
Total	<b>2,262</b>	2,464	<b>2,207</b>	2,409

At 31 March 2019 the trustees had further commitments to specific programme related investments of £1,032,321 (2018 - £587,396). These are treated as designated funds.

The programme related investments are listed in the annual report attached to these accounts, including the commitments made but not yet invested.

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

**14. Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Due within one year</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Dividends and interest receivable	<b>323</b>	364	<b>302</b>	317
Prepayments and amounts receivable	<b>225</b>	238	<b>225</b>	190
Amount due from the Barrow Cadbury Fund	-	-	<b>4</b>	4
Other debtors	<b>21</b>	4	<b>21</b>	4
	<b>569</b>	606	<b>552</b>	515

**15. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade creditors	<b>23</b>	29	<b>23</b>	29
Grants payable	<b>3,506</b>	2,839	<b>3,410</b>	2,550
Social security and other taxes	<b>27</b>	19	<b>27</b>	19
Accruals	<b>223</b>	182	<b>204</b>	163
Other creditors	<b>17</b>	-	<b>17</b>	-
	<b>3,796</b>	3,069	<b>3,681</b>	2,761

**16. Creditors: amounts falling due after more than one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Grants payable between 1 and 2 years	<b>910</b>	704	<b>852</b>	685
Grants payable between 2 and 5 years	<b>193</b>	177	<b>182</b>	159
Grants payable	<b>1,103</b>	881	<b>1,034</b>	844

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

**17. Analysis of charitable funds**

	At 1 April 2018 £'000	Net expenditure, gains, losses & transfers £'000	At 31 March 2019 £'000
Unrestricted funds			
Expendable endowment funds	61,430	(1,329)	<b>60,101</b>
Investment revaluation reserve	9,628	1,829	<b>11,457</b>
Designated funds	3,558	207	<b>3,765</b>
Restricted funds	416	(245)	<b>171</b>
<b>Total funds of the parent charity</b>	<u>75,032</u>	<u>462</u>	<u><b>75,494</b></u>
Funds retained within a non-charity subsidiary (The Barrow Cadbury Fund)			
Profit & Loss account	9,549	80	<b>9,629</b>
Designated funds	155	(40)	<b>115</b>
Investment revaluation reserve	1,464	290	<b>1,754</b>
Restricted funds	-	35	<b>35</b>
<b>Total funds of the group</b>	<u>86,200</u>	<u>827</u>	<u><b>87,027</b></u>

**Analysis of charitable funds for prior year (as restated – see note 18)**

	At 1 April 2017 £'000	Net expenditure, gains, losses & transfers £'000	At 31 March 2018 £'000
Unrestricted funds			
Endowment funds	59,341	2,089	<b>61,430</b>
Investment revaluation reserve	13,155	(3,527)	<b>9,628</b>
Designated funds	3,206	352	<b>3,558</b>
Restricted funds	34	382	<b>416</b>
<b>Total funds of the parent charity</b>	<u>75,736</u>	<u>(704)</u>	<u><b>75,032</b></u>
Funds retained within a non-charity subsidiary (The Barrow Cadbury Fund)			
Profit & Loss account	9,307	242	<b>9,549</b>
Designated funds	80	75	<b>155</b>
Investment revaluation reserve	2,054	(590)	<b>1,464</b>
<b>Total funds of the group</b>	<u>87,177</u>	<u>(977)</u>	<u><b>86,200</b></u>

The Trust's capital fund was originally settled as expendable endowment. The trustees can apply both income and capital for any purpose within the charity's objects.

Restricted funds represent amounts received from other organisations for specific projects. These are detailed in note 20.

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

**18. Prior Year Adjustment**

The Barrow Cadbury Fund makes an annual Gift Aid transfer to the Barrow Cadbury Trust, as disclosed in note 28. This transfer had previously been accounted for in the year in which the surplus was generated, and the payment was made in the following year. The Trust and Fund have changed their accounting policies to account for the Gift Aid transfer in the year in which it is paid. As this is a change in accounting policy this has been disclosed as a prior year adjustment.

**Reserves position**

	Balance at 1 April 2017			Balance at 31 March 2018		
	As previously stated £'000	Adjust-ment £'000	Restated balance £'000	As previously stated £'000	Adjust-ment £'000	Restated balance £'000
Unrestricted funds						
Endowment funds	59,781	(440)	59,341	61,660	(230)	<b>61,430</b>
Investment revaluation reserve	13,155	-	13,155	9,628	-	<b>9,628</b>
Designated funds	3,206	-	3,206	3,558	-	<b>3,558</b>
Restricted funds	34	-	34	416	-	<b>416</b>
<b>Total funds of the parent charity</b>	<b>76,176</b>	<b>(440)</b>	<b>75,736</b>	<b>75,262</b>	<b>(230)</b>	<b>75,032</b>
Funds within non-charity subsidiary						
Profit & loss account	8,867	440	9,307	9,319	230	<b>9,549</b>
Designated funds	80	-	80	155	-	<b>155</b>
Investment revaluation reserve	2,054	-	2,054	1,464	-	<b>1,464</b>
<b>Total funds of the Group</b>	<b>87,177</b>	<b>-</b>	<b>87,177</b>	<b>86,200</b>	<b>-</b>	<b>86,200</b>

**Impact on gains, losses and transfers for year ended 31 March 2018**

	As previously stated £'000	Adjustment £'000	Restated balance £'000
Unrestricted funds			
Endowment funds	1,879	210	2,089
Investment revaluation reserve	(3,527)	-	(3,527)
Designated funds	352	-	352
Restricted funds	382	-	382
<b>Gains &amp; losses of the parent charity</b>	<b>(914)</b>	<b>210</b>	<b>(704)</b>
Profit & loss account	452	(210)	242
Designated funds	75	-	75
Investment revaluation reserve	(590)	-	(590)
<b>Total gains and losses of the Group</b>	<b>(977)</b>	<b>-</b>	<b>(977)</b>

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

**19. Designated Funds**

Designated Funds represent funds which the trustees have agreed to invest in programme related investments, including amounts committed but not yet invested (see note 13), and funds which have been allocated to specific programme work.

<b>Designated Funds</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Parent company		
Invested in programme related investments	<b>2,207</b>	2,409
Outstanding commitments to programme related investments	<b>1,032</b>	587
Funds allocated to specific programme work	<b>526</b>	562
Subsidiary company		
Invested in programme related investments	<b>55</b>	55
Funds allocated to specific programme work	<b>60</b>	100
<b>Total</b>	<b>3,880</b>	<b>3,713</b>

**20. Restricted Funds**

Restricted Funds represent amounts received from other organisations for specific projects. These are:

<b>Restricted Funds</b>	<b>At 1 April</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>At 31 March</b>
	<b>2018</b>	<b>resources</b>	<b>resources</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Migration Exchange	39	-	-	<b>39</b>
Funders for Race Equality	52	102	(130)	<b>24</b>
Connect Fund	133	1,168	(1,262)	<b>39</b>
Connect Fund (held in subsidiary)	-	95	(60)	<b>35</b>
Fair By Design Campaign	183	150	(273)	<b>60</b>
Birmingham Migration Co-ordination	-	60	(60)	-
Other	9	-	-	<b>9</b>
<b>Total</b>	<b>416</b>	<b>1,575</b>	<b>(1,785)</b>	<b>206</b>

**Comparative figures for 2018**

<b>Restricted Funds</b>	<b>At 1 April</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>At 31 March</b>
	<b>2017</b>	<b>resources</b>	<b>resources</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Migration Exchange	31	-	8	<b>39</b>
Saint Sarkis	-	45	(45)	-
Funders for Race Equality	-	60	(8)	<b>52</b>
Connect Fund	(1)	870	(736)	<b>133</b>
Connect Fund (held in subsidiary)	-	460	(460)	-
Fair By Design Campaign	-	183	-	<b>183</b>
Other	4	5	-	<b>9</b>
<b>Total</b>	<b>34</b>	<b>1,623</b>	<b>(1,241)</b>	<b>416</b>

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

**Purpose of restricted funds**

Migration Exchange	The Migration Exchange programme aims to encourage debate on national identity, integration and identity.		
Funders for Race Equality	The programme aims to increase race equality. External funders for the current phase of the programme include:		
		Total grant	Recognised in year
		£	£
	National Lottery Community Fund	20,000	10,000
	Esmée Fairbairn Foundation	20,000	20,000
	Joseph Rowntree Charitable Trust	20,000	5,000
	Lankelly Chase Foundation	20,000	20,000
	Lloyds Bank Foundation	20,000	20,000
	Paul Hamlyn Foundation	30,000	15,000
	Trust for London	12,000	12,000
	Total		102,000
Connect Fund	The Connect Fund, funded by the Access Foundation, has been set up to strengthen the social investment market to better meet the needs of charities and social enterprises.		
Fair By Design Campaign	The Fair By Design Campaign works with companies, regulators, policy makers and the public to end the poverty premium. External Funders for the three years of the programme include:		
		Total grant	Recognised in year
		£	£
	Comic Relief	200,000	33,333
	Joseph Rowntree Foundation	150,000	50,000
	National Lottery Community Fund	200,000	67,000
	Tudor Trust	150,000	-
	Total		150,333
Birmingham Migration Co-ordination	This programme is to support effective settlement of migrants and a positive integration agenda in Birmingham. The external funds are from the Paul Hamlyn Foundation.		
Saint Sarkis	In 2017/18 the Saint Sarkis Charitable Trust co-funded two criminal justice projects.		

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

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

Fund balances at 31 March 2019 are represented by:

	Unrestricted funds				Restricted funds		Total
	Endowment	Investment revaluation reserve	Designated	Within subsidiary	Parent company	Within subsidiary	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tangible assets	34	-	-	-	-	-	<b>34</b>
Investments	59,643	11,457	1,558	11,614	-	-	<b>84,272</b>
Programme related investments	-	-	2,207	55	-	-	<b>2,262</b>
Current assets	5,134	-	-	18	171	35	<b>5,358</b>
Current liabilities	(3,676)	-	-	(120)	-	-	<b>(3,796)</b>
Creditors greater than one year	(1,034)	-	-	(69)	-	-	<b>(1,103)</b>
<b>Net assets</b>	<b>60,101</b>	<b>11,457</b>	<b>3,765</b>	<b>11,498</b>	<b>171</b>	<b>35</b>	<b>87,027</b>

Fund balances at 31 March 2018 were represented by:

	Unrestricted funds				Restricted funds		Total
	Endowment	Investment revaluation reserve	Designated	Within subsidiary	Parent company	Within subsidiary	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tangible assets	-	-	-	-	-	-	-
Investments	60,321	9,628	1,149	11,129	-	-	<b>82,227</b>
Programme related investments	-	-	2,409	55	-	-	<b>2,464</b>
Current assets	4,481	-	-	562	416	-	<b>5,459</b>
Current liabilities	(2,528)	-	-	(541)	-	-	<b>(3,069)</b>
Creditors greater than one year	(844)	-	-	(37)	-	-	<b>(881)</b>
<b>Net assets</b>	<b>61,430</b>	<b>9,628</b>	<b>3,558</b>	<b>11,168</b>	<b>416</b>	<b>-</b>	<b>86,200</b>

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

**22. Reconciliation of net income /(expenditure) to net cash flow from operating activities**

	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>Net income/(expenditure) for the year</b>	<b>827</b>	(977)
<b>(as per the statement of financial activities)</b>		
Depreciation charges	7	6
Gains on investments	<b>(4,122)</b>	(280)
Dividends & interest from investments	<b>(2,490)</b>	(2,755)
Losses on social investments	<b>550</b>	60
Dividends & interest from social investments	<b>(119)</b>	(171)
Decrease/(increase) in debtors	<b>37</b>	(20)
Increase in creditors	<b>949</b>	355
Net cash used in operating activities	<b>(4,361)</b>	(3,782)

**23. Analysis of cash and cash equivalents**

	1 April 2018	Cash flows 2018-19	31 March 2019
	£'000	£'000	£'000
Cash at bank and in hand	2,797	(481)	<b>2,316</b>
Notice deposits	2,056	417	<b>2,473</b>
	<u>4,853</u>	<u>(64)</u>	<u><b>4,789</b></u>

**Comparative figures for 2017-18**

	1 April 2017	Cash flows 2017-18	31 March 2018
	£'000	£'000	£'000
Cash at bank and in hand	1,982	815	<b>2,797</b>
Notice deposits	2,041	15	<b>2,056</b>
	<u>4,023</u>	<u>830</u>	<u><b>4,853</b></u>

**24. Programme commitments**

Grants are fully accrued for once they have been approved and the grantee informed. As noted in note 13 there are commitments relating to programme related investments of £1,032,321 (2018: £587,396).

**25. Operating lease commitments**

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	£'000
Less than one year	<b>202</b>	147
One to five years	<b>546</b>	749
	<u><b>748</b></u>	<u>896</u>

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

**26. Parent Charity**

The parent charity's gross income and the results for the period are disclosed as follows:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Gross income	<b>3,988</b>	4,163
Surplus/(loss) for year	<b>462</b>	(704)

**27. Subsidiary company**

The Barrow Cadbury Trust is the sole member of the Barrow Cadbury Fund, a company registered in England and Wales, registered company number 503137. The registered office address is Kean House, 6 Kean Street, London, WC2B 4AS.

This subsidiary company is engaged in the making of benevolent and other grants and the funding of special initiatives to further social justice objectives where it meets the directors' priorities. All activities have been consolidated on a line by line basis in the statement of financial activities.

Available surpluses are distributed under Gift Aid to the parent charity.

The trustees Erica Cadbury, Anna Southall, Nicola Cadbury and Tamsin Rupprechter are also directors of the subsidiary.

A summary of the financial results of the company is shown below.

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Income from fixed asset investments	<b>332</b>	366
Grants receivable	<b>95</b>	460
Gains on sale of investments	<b>270</b>	605
Other income	<b>23</b>	-
	<b>720</b>	1,431
Grants and special initiatives	<b>(311)</b>	(568)
Administrative expenses	<b>(104)</b>	(106)
Surplus on ordinary activities before investment gains or losses	<b>305</b>	757
Unrealised gains/(losses) on investments	<b>290</b>	(590)
Surplus on ordinary activities	<b>595</b>	167

**Note for Prior Year adjustment**  
**Retained earnings**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Total retained earnings brought forward	<b>11,168</b>	11,001
Prior year adjustment – Gift Aid recognised as paid	-	440
Total retained earnings brought forward	<b>11,168</b>	11,441
Surplus on ordinary activities	<b>595</b>	167
Distribution under Gift Aid to parent charity	<b>(230)</b>	(440)
Total retained earnings carried forward	<b>11,533</b>	11,168

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2019**

The aggregate of the assets, liabilities and reserves was:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Assets	<b>11,722</b>	11,516
Liabilities	<b>(189)</b>	(348)
Reserves	<b><u>11,533</u></b>	<u>11,168</u>

**28. Related party transactions**

The Barrow Cadbury Trust and the Barrow Cadbury Fund are administered from the same registered office. The Barrow Cadbury Trust incurs most administrative expenses and is reimbursed by the Barrow Cadbury Fund for its appropriate share of these costs. In 2019 these amounted to £45,920 (2018 - £43,435). In addition the Barrow Cadbury Fund made a donation of £230,000 to the Barrow Cadbury Trust during the year (2018 - £440,000).

Trustees and key management personnel serve on the Boards of five social investments, three grantees and one membership body to which the Trust makes contributions. None of these posts is remunerated. These are as follows:

<b>Name</b>	<b>Organisation</b>	<b>Nature of relationship to Barrow Cadbury Trust</b>
Anna Southall	Together Social Business Group Holdings Ltd (and was previously a Director of its subsidiary Bristol Together).	Social investment
	Clore Social Leadership Programme	Grantee
Jack Serle	Community Channel	Social Investment
Sara Llewellyn	Charity Bank	Social investment
	European Foundation Centre	Membership body
Deborah Pippard	Social Justice and Human Rights Centre Ltd	Social investment
	Ethex	Social investment
	Global Dialogue	Grantee
Mark O'Kelly	Child Poverty Action Group	Grantee

Other than those transactions stated above there were no related party transactions during the year.