

Company number: 07679479
Charity number: 1145224

Big Change Charitable Trust

Report and financial statements
For the year ended 31 December 2019



Big Change Charitable Trust

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Big Change Charitable Trust

Reference and administrative information

For the year ended 31 December 2019

Company number	07679479 – incorporated in the United Kingdom	
Charity number	1145224 – registered in England and Wales	
Registered office	7 Savoy Court London WC2R 0EX	
Operational address	The Battleship Building, 179 Harrow Road London W2 6NB	
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:	
	P. Nevin	Chair
	H. K. T. Branson	
	D. Gannon	
	B. J. Hay	
	I. A. McGregor	(Resigned 06 November 2019)
	R. Perry	
	S. Richardson	
	D. Scott	
	B. York	
Key management personnel	Vanessa North Noah Devereux Noah Bernstein	Chief Executive Officer Community Director Impact and Operations Director
Bankers	Barclays Bank Leicester LE87 2BB	
Solicitors	Harbottle and Lewis LLP 7 Savoy Court, London WC2R 0EX	
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House, 108–114 Golden Lane London EC1Y 0TL	

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Trustees' annual report

For the year ended 31 December 2019

The Trustees present their report and the audited financial statements for the year ended 31 December 2019.

Reference and administrative information set out on page 1 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.

1. Chair's Report

Big Change was founded in 2012 to think differently about how charity can be a catalyst for positive long-term change for young people in the UK. Since then, we've become a small but disruptive force for change. We've developed a tried and tested model for our role as a catalyst, and 2019 saw the organisation excel in its three areas of focus:

- 1) Supporting the pioneers taking action: we launched our 2019 project cohort, consisting of 7 exciting new projects across 3 impact areas receiving a total of £791k in multi-year grant funding, of which £382k was awarded in 2019. We also launched our most comprehensive impact review to date, *Change is Happening*, a look back at Big Change's impact and learnings from the past 7 years. And, as in 2018, the accolades for a number of our project partners continued, including recognition, awards and follow on funding (EasyPeasy, Lighthouse, The Difference, and 50 Things Before You're Five).
- 2) Broaden the support for long-term change: We raised £1.866m in charitable funds, including £250k via a new member-only multi-year core funding group called the *Strive Catalyst Circle*. We continued to engage and expand our community through project breakfasts and visits, thought leader events, and book launches. We also launched a new event series, the Strive Weekender, in complement to our week-long Strive invitational, as part of a strategy to activate the broader Strive community to fundraise on Big Change's behalf.
- 3) Being a catalyst for system change: 2019 saw us formally integrate Reimagining Education into our core work with the launch of the Systems Change Track as our third pillar of activity. We published *Reimagining Education Together*, a report highlighting the need for transformative change in the education system and spotlighting 20 global pioneers. We also hosted our second global gathering of 40 diverse leaders pioneering big change in education, and launched our #hopes4ed - an unashamedly hopeful view on the change we want to see in education which resonated deeply across our network and beyond.

2019 was also a year of strategic consolidation as we brought together years of research, listening and thinking to form a long-term strategy for 2020-2022.

Financially, we posted our fourth consecutive net income surplus (£336k), all of which will be allocated to future project cohorts.

Our strong impact and activation work was matched by some significant operational advances, notably the establishment of *American Friends of Big Change*, a US-based 501(c)(3) (not-for-profit), led by three independent Directors who are seeking to support Big Change work in the UK and, eventually, the US.

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Our 2020-2022 strategy is centred around three primary goals, with a focus on building on our solid foundations and proven model to increasingly work with partners to amplify our potential to catalyse big change:

1. **Show a new way is possible** – continuing to back pioneers with insight-led solutions for long term change. To ensure we find and back the highest potential projects we are focusing on shifting to increasingly proactive scoping and outreach, more regular project allocation and developing an updated impact model for systemic change.
2. **Unlock support for change** – in addition to our traditional event-based fundraising we will be building on our proven model and track record to work with a broader network of donors, foundations and organisations to partner and unlock greater funds to support the pioneers at the forefront of change.
3. **Change the conversation** – building on our work to date and growing network of cross-sector system change leaders we will be working with allies to act as a catalyst to change the conversation and priorities at both the grasstops (policy and system influencers) and grassroots.

2020 will undoubtedly present challenges for the organisation and the sector as a whole. However, we feel positive that we can meet these challenges, using the Covid-19 crisis as an opportunity to advance thinking and action on educational system change, ensuring that every young person can thrive in a world of constant change.

Philip Nevin (Chair)

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Date: 17 September 2020

2. About Big Change

Big Change's mission is to ensure every young person can thrive in a world of constant change.

We act as a catalyst for this change by:

- Backing the pioneers who are leading bold approaches at the frontline of change;
- Uniting a community of supporters to direct funds and energy to the areas of greatest impact;
- Working with cross-sector allies to catalyse system change.

Our model and approach to achieve this consists of three distinct but interlinked pillars - **Insight, Action, and Support**:

1. **Insight**: We *listen and learn* with and from all parts of the system to understand what is needed to support reimagining education over the long-term.
2. **Action**: We *target our support* to the most critical opportunity areas by finding and backing the leaders with big vision to help them prove a new way is both possible and powerful.

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3. **Support:** We *activate a network* of people and organisations who power this change through individual effort and collective action.

All of the above is in support of achieving our 2030 goals:

1. **Show a new way is possible** – pioneering approaches to supporting young people have become the new normal and the learning experience of every child, no matter what their background or circumstance, sets them up with the agency and opportunity to thrive.
2. **Make education everyone's business** – all parts of society, including parents and employers, are actively involved in supporting young people to thrive as part of local learning ecosystems.
3. Create a **new common sense** – society has widely embraced a new paradigm: that every young person is set up to thrive in life and key parts of the system have changed to support it (e.g. policy, funding, accountability).

For more information please see big-change.org, our 10 Hopes for Change or our *Change is Happening* impact review.

3. Our Projects

Big Change will only happen if we do things differently, which is why we fund in the areas where there is critical need, we have a unique opportunity to add value and that, if changed, could have a broader systemic impact.

When considering projects, we are particularly interested in the following key criteria:

1. Does the applicant have a bold ambition for system change, with the potential to significantly impact on the broader sector? What is the unique and disruptive insight that can really change the way things are done?
2. Does the idea focus on positive growth: would the project clearly support young people to unlock their potential, and make a real difference?
3. Does the proposal demonstrate that there is a clear and compelling need? Is there a clear benefit to the education/youth development sector in the UK, and would the project have support from sector experts and other practitioners?
4. Do the team have passionate leadership: are the right people in place with the expertise and experience to fulfil their big ambition?
5. Is the project a good fit for Big Change: can we add significant value to the project?

With the above in mind, we launched our 2019 grant allocation process, with up to £1,000,000 in available funding for aligned project partners. Whilst the grant application process was open to all, we also solicited applications from a number of people and organisations who were part of our pipeline development. Each submitted an expression of interest and, if successful, a subsequent detailed proposal was assessed, both internally and by an invited Impact Council of sector experts and Trustees (see Section 5, Grant Making Policy).

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Of the £1m available, £791,535 was allocated to seven projects over a period of three years. Of this amount, £381,718 was awarded in 2019, with the remainder designated for 2020 and 2021.

An additional £50,000 was disbursed in 2019 to partners from the 2018 project cohort, and £29,608 was disbursed to two projects from the 2017 project cohort.

This brings the total of funds distributed to new Big Change project partners in 2019 to £461,326 (of a total of £549,122).

Details of all funded projects as follows:

THE DIFFERENCE

(£113,500 awarded in 2019)

The Difference is training a new generation of leaders to deliver the best education to the most vulnerable children. They offer professional development and leadership training to equip exceptional teachers as mental health specialists, who are able to recognise the signs of a child at risk of exclusion, and respond positively.

Participants spend two years in a Pupil Referral Unit (PRU) with wrap-around training and support. They then take their new expertise back into the mainstream school system to support both students and staff in order to prevent school exclusions and build healthy, inclusive, thriving learning environments.

The Difference expects to launch their leadership programme with its first cohort at the beginning of 2020.

BIG EDUCATION CONVERSATION (via Whole Education)

(£100,000 awarded in 2019)

How can we better prepare young people for their futures? This is the question that the Big Education Conversation (BEC) is set to ask all over the country by igniting discussions, and uniting and supporting regional change-makers to learn and share good practice for making big change.

Big Education Conversations are not designed to be one-off events of limited impact. Instead, they will become vehicles to initiate and sustain action and change in communities across the country.

BEC are working towards three simple goals:

- Unite schools, employers, parents and young people locally, everyone who wants to better prepare
- amplify success that is already happening that can be adapted and;
- activate people to start doing new and differing things locally, sharing their stories of impact.

BEC aims to hold and facilitate discussion in 100 places across England by August 2022, operating a three-year sustainable scaling strategy by compiling resources and toolkits to enable change-makers to run their own events. They will also crucially bring them together in a community of practice.

BIG LEADERSHIP ADVENTURE (via Big Education Trust)

(£84,100 awarded in 2019)

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Thirty leaders will develop a unique and holistic approach to push the boundaries in education through a two-year programme of personal and professional development. The programme will be a rich mix of taught content, immersive experiences, school-based innovation projects and coaching, including residential elements.

The ultimate goal is to create a growing coalition of schools and individuals who are demonstrating the leadership needed to bring about real change across the system by showing not only that it can be done, but by being a positive example of how.

The Big Leadership Adventure are continuously expanding their network to reach new schools. Following the first year of delivery they will develop a strategy to market openly with the long term aim for the programme to be accessed outside London as well.

IMPACTED LIMITED

(£45,000 awarded in 2019)

ImpactED exists to change the way we measure impact, equipping young people to thrive by teachers supporting them in the best ways possible. They help teachers and school leaders to evaluate what is working on more than just grades, changing the systematic approach by putting power in their hands.

The digital platform pilot has been running since September 2018 offering teachers a broader range of indicators including motivation, self-efficacy, wellbeing, and academic outcomes.

Over time, as users of the platform apply reliable methods for assessing impact on both academic and non-academic outcomes, ImpactED will be able to share what is working and act on results, bringing a teacher-led evidence base to life.

Over the next two years, ImpactED aims to build the evidence base for the efficacy of their approach within that will cement a business case for further investment.

REKINDLE SCHOOL (via Northern Soul Consultancy)

(£22,700 awarded in 2019)

Rekindle is a supplementary school for 13-16 year-olds in South Manchester, at risk of mainstream and school exclusion, those struggling with motivation at school, or whose families are struggling to provide support. It offers a wraparound programme of learning, support, mentoring, business engagement, topical masterclasses and career development.

More than an afterschool club, Rekindle School, with the support of Manchester Metropolitan University, includes homework, wellbeing sessions, preparation and consumption of a home cooked meal, and sports coaching.

Rekindle begins with small, local educational centres, where communities support those at risk of negative outcomes with proven methods of educational support, designed to stimulate struggling learners and motivate parents, communities and local stakeholders to more efficiently support young people. Their root causes approach will change the way working class Manchester children interact with the system for good.

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LIGHTHOUSE (via Catch-22 Charity Ltd.)

(£42,000 awarded in 2019)

Lighthouse will ensure that care leavers are viewed as an asset rather than a cost to society.

They believe that residential care should be seen as an opportunity for the young person placed in it, not a failure, and aim to make a big change for children in care with a brand-new kind of children's home based on successful German and Danish methods of practice.

Lighthouse intends to be a long-term therapeutic environment in which well-trained professionals will support children in a family environment:

- Longer placements, which are associated with better outcomes
- Improved outcomes in education, well-being and access to opportunities
- Improving the way in which children's services are commissioned
- Raised quality of services on offer
- Share good practice in a way that is easy for providers to access and adopt
- A new perception of professionalism to the role of the residential care worker
- Change perceptions of children in care and destigmatise what it is to be a care leaver

Lighthouse are beginning their journey in West London and will start by focusing on communities local to their homes, expanding to have national reach. Their staff will also be in positions to share their expertise and influence others to do similar.

EASYPEASY (via Character Counts)

(£24,418 awarded in 2019)

Big Change provided flexible support for EasyPeasy's advocacy work, to work toward the goal of increasing resource for and attention early intervention. The support was ringfenced to the following categories of activity:

- Awareness building - speaking engagements, press and other media related activities to build the profile for early intervention
- Lobbying and campaigning - meeting with key decisionmakers, responding to policy landscape, contributing to campaigns
- Coalition building - recruiting others to their cause, devising ways of working together to bring it about

This support enabled the EasyPeasy team to unite their network of public, private and third sector partnerships to explore revitalising the First 1001 Days campaign. The ultimate goal of this work is to influence the outcome of a spending review, persuading the government to implement a recommendation from the Health and Social Care Committee's First 1001 Days of Life report (a shift in public expenditure towards intervening earlier rather than later).

THE COMMUNICATIONS TRUST (via I CAN Charity)

(£29,608 granted; from 2017 cohort)

The Communications Trust's 'Early Voices' programme equips health visitors with the knowledge they need to support families to improve children's communication development and speech and language skills in the home. Training delivered to 60 health visitors resulted in a 75% increase in knowledge and confidence in speech, language and communication development. Big Change funding made sure that this learning had a wider reach, by providing TCT with the resource to turn this training into case studies, blogs and videos that are now available to speech, language and communication practitioners across several networks.

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4. Financial Review

Operating budget and grant making

We are grateful to Virgin Unite, Joann McPike and the Strive Catalyst Circle for supporting Big Change operating expenditure in 2019. Their grants covered the majority of operating expenditure, which totalled £616,085 (this includes staff costs, core costs, and external costs but excludes grants, trading company costs, donations in kind, and direct charitable spend).

During the course of the year Big Change received in-kind donations amounting to £192,415 (2018: £146,476). The Trustees would like to thank Virgin Management Limited for providing donations in-kind of office space, IT support and professional services such as finance and taxation advice; Katten Muchin Rosenman LLP for their ongoing legal support; and DLA Piper UK LLP, Wrigley's Solicitors, and CMS Cameron McKenna Nabarro Olswang LLP for providing pro bono legal support via Thomson Reuters' Trust Law service.

During the year the cost of charitable activities was £1,332,841 (2018: £1,270,096). This includes direct grants to institutions and research totalling £690,312 (2018: £1,100,419) as highlighted in Section 3, Our Impact.

For the 12-month period ending 31 December 2019, income exceeded costs by £336,258 (2018: income exceeded costs by £871,373). Total income, including STRIVE events, was £2,240,892 (2018: £3,664,602) which comprised mainly charitable donations of £1,866,197 (2018: £2,528,727). Consolidated unrestricted reserves increased during the period to £2,902,667 (2018: £2,583,909).

Going concern and reserves policy

The Board of Trustees are of the opinion that, despite the COVID-19 pandemic and its implications on short and long-term fundraising, Big Change Charitable Trust has adequate resources to continue in operational existence for the foreseeable future. The Board of Trustees have identified no material uncertainties that cast significant doubt about the Big Change Charitable Trust to continue as a going concern.

At 31 December 2019, the Trustees' reserves policy is that Big Change should retain in the form of either cash or contracted income, at all times, (a) at least 12 months of working capital based on predicted known operating costs, and (b) the total amount allocated to current project partners through grant agreements. The Trustees have judged this level as appropriate given Big Change's liabilities, assets, and staffing structure. It is also appropriate given our two-yearly fundraising cycle.

In 2019, Big Change's target reserves were £1,183,068 to account for £483,068 in designated project grants and £700,000 in projected operating costs. Our projected grant making over the next three years is accounted for separately in respect of our reserves policy and will be covered by income raised from our community of supporters.

Free reserves at 31 December 2019 stood at £1,678,528. Big Change's level of reserves is such that we can reduce them over the period of our three-year plan (though remaining above the minimum level) as we continue to support more organisations, including through grants, for a significant period in their journey to scaling impact. In the longer-term, we will need to raise additional funds to fulfil our commitments.

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5. Grant making policy

Trustees approve all grants at the Trustee meetings that take place throughout the year (one every quarter) and grant applications must be approved by all Trustees to be successful. In anticipation of these meetings, an initial assessment and due diligence is undertaken by key management and operational personnel prior to the preparation of an assessment report for consideration by the Trustees in advance of the meeting.

1. Initial application

Applicants submit an initial one-page grant proposal and if management team agree, ask proposers to submit an expanded grant proposal.

2. Due Diligence and Assessment Report

Management will identify the Applicant and whether it is appropriate for Big Change to be involved with this Applicant through:

- an assessment of compliance with applicable laws and regulations, track record, charitable status etc; and
- a review of information in the public domain (e.g. applicant's website, Companies House, Charity Commission website, online news sources) to check for any environmental, social, business integrity, reputational or legal controversy relating to the Applicant.

Management then:

- assesses whether the Applicant can deliver what it promises to;
- analyses the proposed investment/project and its potential impact, outline any concerns;
- identifies associated risks and mitigation options; and
- prepares a report containing all relevant information for consideration by the Trustees.

3. Grant decision

The assessment report is sent to Trustees for contemplation in advance of the meeting at which they are considering the grant applications. At the meeting, the Trustees analyse the grant based on all of the relevant elements of the report and, if appropriate, approve the grant during the meeting.

4. Monitoring after approval and payment of the grant, Big Change management:

- follows up with the applicant according to the agreed reporting schedule and flags up any issues, new risks or variations from the project plan;
- records and reports impact of the grant; and
- confirms funds have been used as intended.

6. Related party transactions

In all instances where Big Change is potentially involved in a related party transaction, Trustees ensure that we not only act in the best interests of the charity by checking costs against the market but where applicable, also ensuring that Big Change is not licensing rights for less than their market rate. Details of the related party transactions are in note 9 to the accounts.

All Trustees and Staff are required to declare any conflicts of interest on an ongoing basis. When a conflict of interest is discovered or brought to the attention of the Leadership Team (LT) it is added to the Conflict of Interest register and then forwarded to the Chair of the Big Change Board of Trustees for consideration. The Chair then consults with his fellow Trustees and provides guidance and/or a mitigation strategy to the LT.

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7. Structure, governance & management

The organisation is a charitable company limited by guarantee, incorporated on 22 June 2011, and registered as a charity on 23 December 2011.

The organisation was established under a memorandum of association, as amended by special resolutions on 10 December 2011 and 21 December 2011, which established the objects and powers of the organisation and is governed under its articles of association.

All Trustees give their time voluntarily and receive no benefits from the charity. Two Trustees were reimbursed for expenses incurred during the year, totalling £296. The Board of Trustees meet at least three times a year and the Charity is empowered to delegate its powers to the Committees of Trustees.

Typically, the charity's senior management team is present at the meetings of the Board of Trustees and, when appropriate, the Chair of the Board of Trustees is in regular contact with senior management. Day-to-day decisions are made by senior management and where necessary referred to the Board of Trustees for approval.

8. The appointment and recruitment of Trustees

The Trustees are responsible for the recruitment of new Trustees, which they carry out in light of the existing balance of skills and experiences of the Board. Before their appointment, all new Trustees attend an induction programme in order for them to properly undertake and fulfil their responsibilities to the Charity. The induction process ensures new Trustees meet existing Trustees and members of the Senior Management team.

9. Objectives and activities

The Trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work within the last twelve months. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

The Trust's objects are:

(a) the promotion of participation in healthy recreation in particular by the provision of facilities for the playing of sports;

(b) to assist in such ways as the charity Trustees think fit any charity whose aims include advancing education of persons under the age of 25 years by developing their mental, physical and moral capabilities through leisure time activities;

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(c) to advance in life and help young people especially but not exclusively through:

- (i) the provision of recreational and leisure time activities provided in the interest of social welfare, designed to improve their conditions of life; and
- (ii) providing support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals;

(d) to act as a resource for young people up to the age of 25 years by providing advice and assistance and organising programmes of physical, educational and other activities as a means of:

- (i) advancing in life and helping young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals;
- (ii) advancing education;
- (iii) relieving unemployment; and
- (iv) providing recreational and leisure time activity in the interests of social welfare for people living in the area of benefit who have need by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such persons;

(e) to assist in the treatment and care of persons suffering from mental or physical illness of any description or in need of rehabilitation as a result of such illness, by the provision of facilities for work and recreation and through the provision of financial assistance, support, education and practical advice;

(f) the relief and assistance of people in any part of the world who are the victims of war or natural disaster, trouble, or catastrophe; and

(g) such charitable purposes for the public benefit as are exclusively charitable according to the laws of England and Wales as the Trustees may from time to time determine.

10. Risk management

The Trustees regularly discuss and review the key risks to the charity and identify mitigation strategies during their Trustee meetings. The Trustees are satisfied that the key risks to the organisation are mitigated during the current year. Below is a list of the principle risks or uncertainties that management and Trustees have identified, along with info on how the organisation is managing them:

Big Change recognises our key risks and mitigation actions as follows:

Risk	Mitigating action
1.1 - Financial: The C19 crisis impacts the organisation's ability to raise funds in the short and long-term.	<ul style="list-style-type: none">• Adapting expenditure approach to compensate for lost revenue;• Adjusting fundraising approach to seize opportunities presented by the crisis.
1.2 - Reputational: Big Change receives donations from a number of donors and there is a risk of receiving funds from inappropriate sources.	<ul style="list-style-type: none">• Ensure that adequate due diligence is carried out on all potential big gift donors;• <u>Maintain clear paper trails for all donations</u>
1.3 - Charitable: Big Change grants funds to a number of different organisations and there is a risk that money is spent inappropriately	<ul style="list-style-type: none">• Management team to keep in regular contact with grantees;• Ensure that grantees are reporting back to Big Change per grant agreements.

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The Trustees are satisfied that the key risks to the organisation are identified and that appropriate strategies are in place to manage them in the current year.

Statement on fundraising practice

The Trust does not use professional fundraisers or commercial participators to raise funds. The Trust nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations (2018: none) and codes and the Trust received no complaints (2018: none) relating to its fundraising practice.

11. Investment powers and policy

Under the Memorandum and Articles of Association, the Charity has the power to invest in any way the Trustees wish. During the year to 31 December 2019 the organisation adopted an Investment Policy (housed within Big Change's Treasury Management Policy) that, once ratified by the Trustees, was used to guide the investment of operational reserves with the organisation's nominated investment management firm. The policy includes general provisions, as well as the organisation's investment objectives, attitude towards risk, ethical investment priorities, and management reporting and approval processes. Additional financial details can be found in Note 11 of the annual accounts.

During the year to 31st December the charity's portfolio returned performance of 9.5% net of all fees, costs and charges. This contrasts with the return from the ARC PCI GBP Cautious index which returned 8.05%, again net of fees, costs, and charges. This shows outperformance against the relevant investment objective i.e. to outperform the relevant ARC index.

The COVID-19 crisis, and resulting shock on global markets, has impacted the charity's investments. However, at date of signing the total portfolio value, net of fees, costs, and charges, is greater than at inception.

12. Remuneration policy

The management team comprise the key management personnel of the charity, in charge of directing and controlling, running and operating the charity on a day to day basis. The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. The charity benchmarks against pay levels in other similar organisations. All pay raises, as well as bonuses, are determined by the Board of Trustees after a formal end-of-year evaluation. Consensus must be reached before any pay rise or other form of compensation is awarded.

13. Statement of responsibilities of the Trustees

The Trustees (who are also directors of Big Change Charitable Trust for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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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 group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

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' annual report has been approved by the Trustees on 17 September, 2020 and signed on their behalf by

P Nevin
Chair of Trustees

D Scott
Trustee

Independent auditor's report

To the members of

Big Change Charitable Trust

Opinion

We have audited the financial statements of Big Change Charitable Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 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 December 2019 and of the group's 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 group 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 other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report

To the members of

Big Change Charitable Trust

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 requires 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.

Independent auditor's report

To the members of

Big Change Charitable Trust

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 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,
- 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

Independent auditor's report

To the members of

Big Change Charitable Trust

- 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.

Noelia Serrano (Senior statutory auditor)

Date

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

Big Change Charitable Trust

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Income from:							
Donations and legacies	2	1,726,197	140,000	1,866,197	2,135,427	393,300	2,528,727
Other trading activities	3	363,394	-	363,394	1,130,839	-	1,130,839
Investments		11,301	-	11,301	5,036	-	5,036
Total income		2,100,892	140,000	2,240,892	3,271,302	393,300	3,664,602
Expenditure on:							
Raising funds							
Cost of fundraising		288,216	-	288,216	245,995	-	245,995
Costs of trading		348,239	-	348,239	989,370	-	989,370
Charitable activities							
Impact		638,934	122,500	761,434	699,139	393,300	1,092,439
Community		322,305	-	322,305	264,051	-	264,051
System		249,102	-	249,102	177,657	-	177,657
Total expenditure	4a	1,846,796	122,500	1,969,296	2,376,212	393,300	2,769,512
Net income before net gains/(losses) on investments		254,096	17,500	271,596	895,090	-	895,090
Net gains/(losses) on investments		64,662	-	64,662	(23,717)	-	(23,717)
Net income for the year	6	318,758	17,500	336,258	871,373	-	871,373
Net movement in funds		318,758	17,500	336,258	871,373	-	871,373
Reconciliation of funds:							
Total funds brought forward		2,583,909	-	2,583,909	1,712,536	-	1,712,536
Total funds carried forward		2,902,667	17,500	2,920,167	2,583,909	-	2,583,909

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

Big Change Charitable Trust

Balance sheets

Company no. 07679479

As at 31 December 2019

	Note	The group 2019 £	2018 £	The charity 2019 £	2018 £
Fixed assets:					
Investments	11	741,072	677,327	741,073	677,328
		<u>741,072</u>	<u>677,327</u>	<u>741,073</u>	<u>677,328</u>
Current assets:					
Debtors	13	515,054	149,263	523,933	302,900
Short term cash deposit		897,975	-	897,975	-
Cash at bank and in hand		813,735	1,940,360	775,259	1,753,565
		<u>2,226,764</u>	<u>2,089,623</u>	<u>2,197,167</u>	<u>2,056,465</u>
Liabilities:					
Creditors: amounts falling due within one year	14	47,669	183,041	19,444	149,884
		<u>47,669</u>	<u>183,041</u>	<u>19,444</u>	<u>149,884</u>
Net current assets		<u>2,179,095</u>	<u>1,906,582</u>	<u>2,177,723</u>	<u>1,906,581</u>
Total net assets	16a	<u>2,920,167</u>	<u>2,583,909</u>	<u>2,918,796</u>	<u>2,583,909</u>
Funds:	17a				
Restricted income funds		17,500	-	17,500	-
Unrestricted income funds:					
General funds		2,419,600	2,471,705	2,418,229	2,471,705
Designated funds		483,067	112,204	483,067	112,204
		<u>2,902,667</u>	<u>2,583,909</u>	<u>2,901,296</u>	<u>2,583,909</u>
Total unrestricted funds		<u>2,902,667</u>	<u>2,583,909</u>	<u>2,901,296</u>	<u>2,583,909</u>
		<u>2,920,167</u>	<u>2,583,909</u>	<u>2,918,796</u>	<u>2,583,909</u>

Approved by the Trustees on 17 September 2020 and signed on their behalf by

P Nevin
Chair of Trustees

D. Scott
Trustee

Big Change Charitable Trust

Consolidated statement of cash flows

For the year ended 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities					
Net income for the reporting period (as per the statement of financial activities)		336,258		871,373	
(Gains) / losses on investments	11	(64,662)		23,717	
Dividends, interest and rent from investments	11	(11,301)		(5,036)	
(Increase)/decrease in debtors	13	(365,791)		286,587	
(Decrease)/Increase/ in creditors	14	(135,372)		(160,417)	
Net cash provided by / (used in) operating activities			(240,868)		1,016,224
Cash flows from investing activities:					
Proceeds from sale of investments	11	120,695		24,757	
Purchase of investments	11	(99,712)		(674,840)	
Dividends, interest and rent from investments	11	11,301		5,036	
Movement within cash held by investment managers	11	(20,066)		(50,961)	
Short term cash deposits		(897,975)		-	
Net cash provided by / (used in) investing activities			(885,757)		(696,008)
Change in cash and cash equivalents in the year			(1,126,625)		320,216
Cash and cash equivalents at the beginning of the year			1,940,360		1,620,144
Cash and cash equivalents at the end of the year			813,735		1,940,360

Big Change Charitable Trust

Notes to the financial statements

For the year ended 31 December 2019

1 Accounting policies

a) Statutory information

Big Change Charitable Trust is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address is 7 Savoy Court, London, WC2R 0EX.

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) – (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.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Big Change Trading 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 exemptions afforded by section 408 of the Companies Act 2006.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

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

d) 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.

e) Income

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

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

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

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

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

h) 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 fund.

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

Designated funds are defined as grant payments the charity is reasonably certain will be paid to grantees (as per the payment schedule) prior to the date of the signing of the accounts.

i) 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 relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose and also includes investment management costs.
- Expenditure on charitable activities includes the costs of grants made and staff time spent to further the purposes of the charity and their associated support costs.

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

j) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

1 Accounting policies (continued)

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

- Fundraising 50%
- Charitable activities 50%

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £3,000. 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. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

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. 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) 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.

o) 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.

p) 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.

q) Financial instruments

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

Big Change Charitable Trust

Notes to the financial statements

For the year ended 31 December 2019

2 Income from donations and legacies

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Donated services	192,415	–	192,415	146,476	–	146,476
Charitable Donations	1,533,782	140,000	1,673,782	1,988,951	393,300	2,382,251
	<u>1,726,197</u>	<u>140,000</u>	<u>1,866,197</u>	<u>2,135,427</u>	<u>393,300</u>	<u>2,528,727</u>

The donated goods and services consisted of (1) accountancy, taxation, legal support and free rent provided by Virgin Management Limited throughout the period; (2) pro bono legal services provided by DLA Piper UK LLP, Wrigley's Solicitors, CMS Cameron McKenna Nabarro Olswang LLP and Katten Muchin Rosenman LLP (2018: (1) accountancy, taxation, legal support and free rent provided by Virgin Management Limited throughout the period; (2) web design and support from eJigsaw limited for the build of the strivechallenge.org website; (3,4) pro bono legal services provided by Cooleys LLP, Kirkland and Ellis LLP, and Arnold and Porter).

3 Income from other trading activities

	2019 Total £	2018 Total £
Sponsorship (events inc. STRIVE)	32,000	385,000
Entry Fees (events inc. STRIVE)	323,184	745,839
Other	8,210	–
	<u>363,394</u>	<u>1,130,839</u>

All income from other trading activities is unrestricted.

4a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities			Governance costs £	Support costs £	2019 Total £	2018 Total £
		Impact £	Community £	System £				
Staff costs (Note 7)	49,298	147,882	147,655	66,026	39,067	68,944	518,872	402,408
Events – Cost of trading	348,239	–	–	–	–	–	348,239	989,370
Marketing	–	–	–	–	–	53,252	53,252	63,053
Research and Content	–	76,329	76,329	76,329	–	–	228,987	221,339
Office and Premises costs	–	–	–	–	–	154,365	154,365	100,000
General Expenses	–	–	–	–	–	59,509	59,509	55,209
Fundraising	–	–	–	–	–	11,700	11,700	–
Insights and Activation Support	–	–	–	30,850	–	9,803	40,653	–
Staff travel and entertainment	–	–	–	–	–	25,105	25,105	–
Investment Management Fees	12,217	–	–	–	–	–	12,217	3,992
Legal and Professional	–	–	22,424	–	33,636	–	56,060	51,625
Grants awarded (note 5)	–	461,326	–	–	–	–	461,326	879,080
Tax payable by subsidiaries	(1,370)	–	–	–	–	–	(1,370)	3,055
Trustee Insurance	381	–	–	–	–	–	381	381
	408,765	685,537	246,408	173,205	72,703	382,678	1,969,296	2,769,512
Support costs	191,338	63,780	63,780	63,780	–	(382,678)	–	–
Governance costs	36,352	12,117	12,117	12,117	(72,703)	–	–	–
Total expenditure 2019	636,455	761,434	322,305	249,102	–	–	1,969,296	
Total expenditure 2018	1,235,365	1,092,439	264,051	177,657	–	–		2,769,512

Big Change Charitable Trust

Notes to the financial statements

For the year ended 31 December 2019

4b Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities			Governance costs £	Support costs £	2018 Total £
		Impact £	Community £	Advocacy £			
Staff costs (Note 7)	33,025	69,223	125,061	38,666	50,326	86,107	402,408
Events – Cost of trading	989,370	-	-	-	-	-	989,370
Marketing	-	-	-	-	-	63,053	63,053
Research and Content	-	73,780	73,780	73,780	-	-	221,339
Office and Premises costs	-	-	-	-	-	100,000	100,000
General Expenses	-	-	-	-	-	55,209	55,209
Investment Management Fees	3,992	-	-	-	-	-	3,992
Legal and Professional	10,289	5,145	-	-	1,715	34,476	51,625
Grants awarded (note 5)	-	879,080	-	-	-	-	879,080
Tax payable by subsidiaries	3,055	-	-	-	-	-	3,055
Trustee Insurance	-	-	-	-	381	-	381
	<u>1,039,731</u>	<u>1,027,228</u>	<u>198,840</u>	<u>112,446</u>	<u>52,422</u>	<u>338,845</u>	<u>2,769,512</u>
Support costs	169,423	56,474	56,474	56,474	-	(338,845)	-
Governance costs	26,211	8,737	8,737	8,737	(52,422)	-	-
Total expenditure 2018	<u>1,235,365</u>	<u>1,092,439</u>	<u>264,051</u>	<u>177,657</u>	<u>-</u>	<u>-</u>	<u>2,769,512</u>

Big Change Charitable Trust

Notes to the financial statements

For the year ended 31 December 2019

5 Grant making (current year)

	2019 £	2018 £
Voice 21 via School 21 Foundation	-	100,000
Bounce Forward (previously How to Thrive)	-	105,500
Headstart via The Challenge Network	-	123,384
Whole Education	-	44,000
Ambition Institute (formally Institute for teaching)	-	62,796
The Difference	113,500	95,000
Bradford Birth to 19 SCITT	-	110,000
The Communication Trust via I Can Charity	29,608	78,501
Achievement for All	-	53,149
EasyPeasy via Character Counts	24,418	50,000
Oracy Network via School 21 Foundation	-	21,750
Big Education Conversation via Whole Education	100,000	35,000
ImpactEd Limited	45,000	-
Rekindle School (via Northern Soul Consultancy)	22,700	-
Lighthouse (via Catch-22 Charity Ltd.)	42,000	-
Big Leadership Adventure (via Big Education Trust)	84,100	-
Total	461,326	879,080

	2019 £	2018 £
Reconciliation of movements in grant creditors		
Brought forward grant creditor	87,796	23,915
Add: Grants awarded in the year	461,326	879,080
Less: Grants paid in the year	(549,122)	(815,199)
Carried forward grant creditor (note 14)	-	87,796

6 Net incoming resources for the year

This is stated after charging:

	2019 £	2018 £
Trustees' indemnity insurance	381	381
Auditor's remuneration (excluding VAT):		
Audit	6,700	6,700
Audit – under accrual from prior year	2,490	-

Big Change Charitable Trust

Notes to the financial statements

For the year ended 31 December 2019

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	449,076	349,950
Social security costs	50,586	38,263
Pension contributions	19,210	14,195
	<u>518,872</u>	<u>402,408</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2019 No.	2018 No.
£60,000 – £69,999	–	1
£70,000 – £79,999	2	1
£80,000 – £89,999	–	1
£90,000 – £99,999	1	–

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £108,473 (2018: £96,148).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £296 (2018: £339) incurred by 2 (2018: 2) members relating to attendance at meetings of the trustees.

8 Staff numbers

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

	2019 No.	2018 No.
Raising funds	2	2
Advocacy	2	1
Research	1	1
Governance and Support	2	1
Grant Making	2	1
	<u>9</u>	<u>6</u>

9 Related party transactions

During the year legal fees of £2,174 (Trust; 2018 £nil) and £939 (Trading; 2018 £nil) were paid to Harbottle and Lewis LLP (Total: £3,113) in respect of legal services provided to the charity in connection with secretarial duties. David Scott is a trustee of the charity and a partner in Harbottle and Lewis LLP. Harbottle and Lewis LLP do not charge for the time David spends providing services as a trustee. At 31 December 2019 there were no amounts outstanding between the charity and Harbottle and Lewis LLP.

Virgin Management Limited have provided the charity with office space including administrative services at no cost. This has been recognised as a donated service both within income and expenditure, valued at £154,365 (2018: £100,000). During the year H. Branson and D. Gannon were trustees of Big Change and employed by Virgin Management Limited.

Virgin Unite has provided the charity with an unrestricted grant of £325,000 (2018: £275,000) to cover the core costs of the charity. H. Branson is a trustee of Big Change and is Chairperson of Virgin Unite.

During the course of the year two donations were made to Big Change by its trustees, both in relation to the Strive Weekender event held in June, 2019. P. Nevin donated £500 to the charity, and S. Richardson raised £2,085 (inclusive of gift aid) through online donations via the Virgin Money Giving platform.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Big Change Trading Limited Limited distributes available profits under gift aid to the parent charity. Its charge to corporation tax in the year was:

	2019 £	2018 £
Profit on ordinary activities before taxation	11,198	99,505
UK corporation tax at 19%	2,128	18,906
Effects of:		
Adjustments in respect to prior year	(1,371)	1,104
Income not taxable	(2,128)	(18,326)
Expenses not deductible	-	1,370
Total current tax	(1,371)	3,055
Tax on results on ordinary activities	(1,371)	3,055

11 Investments

	The group		The charity	
	2019 £	2018 £	2019 £	2018 £
Fair value at the start of the year	677,327	-	677,328	1
Additions at cost	99,712	674,840	99,712	674,840
Disposal proceeds	(120,695)	(24,757)	(120,695)	(24,757)
Net gain / (loss) on change in fair value	64,662	(23,717)	64,662	(23,717)
Movement within cash held by investment managers	20,066	50,961	20,066	50,961
Fair value at the end of the year	741,072	677,327	741,073	677,328

Investments comprise:

	The group		The charity	
	2019 £	2018 £	2019 £	2018 £
Unlisted shares in UK registered companies	-	-	1	1
Cash	71,027	50,961	71,027	50,961
Listed investments	670,045	626,366	670,045	626,366
	741,072	677,327	741,073	677,328

12 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Big Change Trading Limited, a company registered in England (company number 07998643). The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2019 £	2018 £
Turnover	363,394	1,130,839
Cost of sales	(352,196)	(1,031,334)
Profit on ordinary activities before taxation	11,198	99,505
Taxation	1,370	(3,055)
Profit for the financial year	<u>12,568</u>	<u>96,450</u>
Retained earnings		
Retained earnings brought forward	-	-
Profit for the financial year	12,568	96,450
Distribution under gift aid to parent undertaking	(11,198)	(96,450)
Retained earnings carried forward	<u>1,370</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:		
Assets	52,794	193,464
Liabilities	(51,423)	(193,463)
Capital and retained earnings	<u>1,371</u>	<u>1</u>

Parent charity

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

	2019 £	2018 £
Gross income	1,877,395	2,656,613
Result for the year	<u>346,086</u>	<u>927,512</u>

13 Debtors

	The group		The charity	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	489,203	36,614	489,203	36,614
Prepayments and Other debtors	25,851	63,425	11,532	56,757
Accrued income	-	49,224	-	49,224
Amounts owed by Subsidiary	-	-	23,199	160,305
	<u>515,054</u>	<u>149,263</u>	<u>523,933</u>	<u>302,900</u>

Big Change Charitable Trust

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For the year ended 31 December 2019

14 Creditors: amounts falling due within one year

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	10,400	54,062	8,695	52,221
Grant Creditors	-	87,796	-	87,796
Accruals	37,269	39,232	10,749	9,867
Corporation tax payable	-	1,951	-	-
	47,669	183,041	19,444	149,884

15 Deferred income

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Balance at the beginning of the year	-	296,273	-	-
Amount released to income in the year	-	(296,273)	-	-
Amount deferred in the year	-	-	-	-
Balance at the end of the year	-	-	-	-

16a Analysis of group net assets between funds (current year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Fixed asset investments	741,072	-	-	741,072
Net current assets	1,678,528	483,068	17,500	2,179,095
Net assets at 31 December 2019	2,419,600	483,068	17,500	2,920,167

16b Analysis of group net assets between funds (prior year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Fixed asset investments	677,327	-	-	677,327
Net current assets	1,794,378	112,204	-	1,906,582
Net assets at 31 December 2018	2,471,705	112,204	-	2,583,909

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17a Movements in funds (current year)

	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
Restricted Funds	–	140,000	(122,500)	–	17,500
General funds	2,471,705	2,165,554	(1,385,470)	(832,189)	2,419,600
Designated funds	112,204	–	(461,326)	832,189	483,067
Total funds	2,583,909	2,305,554	(1,969,296)	–	2,920,167

The narrative to explain the purpose of each fund is given at the foot of the note below.

Restricted funds: in 2019 Big Change received five separate donations from four donors totalling £55,000 that were restricted to projects in the Oracy outcome area. £10,000 of the total was allocated to 2018 Oracy projects, whilst the remaining £45,000 was allocated to the two remaining 2019 Oracy projects, The Communications Trust and The Oracy Network. In 2019, Big change also received £85,000 from Virgin Unite, which was allocated to the Reimagining Education project.

Designated funds are described in the Chairman's report on page 4.

17b Movements in funds (prior year)

	At 1 January 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2018 £
Restricted Funds	–	393,300	(393,300)	–	–
General funds	963,099	3,271,302	(1,976,945)	214,249	2,471,705
Designated funds	749,437	–	(422,984)	(214,249)	112,204
Total funds	1,712,536	3,664,602	(2,793,229)	–	2,583,909

18 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

19 Subsequent events

It has been noted that the volatility in the world's stock markets as a result of the COVID19 pandemic has caused a reduction in Big Change Charitable Trust's investment portfolio of approximately £6,000 (1%) as at 31 August 2020. The trustees regard the portfolio as a long-term investment.