

Company number: 07679479

Charity number: 1145224

Big Change Charitable Trust

Report and financial statements

For the year ended 31 December 2017

Big Change Charitable Trust

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Big Change Charitable Trust

Reference and administrative information

For the year ended 31 December 2017

Company number 07679479 – incorporated in the United Kingdom

Charity number 1145224 – registered in England and Wales

Registered office Hanover House, 14 Hanover Square
London
W1S 1HP

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	
S. E. C. Branson	(appointed 12 January 2017; Resigned 5 April 2018)
B. J. Hay	(appointed 12 January 2017)
I. A. McGregor	
R. Perry	
S. Richardson	
D. Scott	
B. York	

Key management personnel	Vanessa North	Managing Director
	Noah Devereux	Community Director
	Noah Bernstein	Operations Director

Bankers Barclays Bank
Leicester
LE87 2BB

Solicitors Harbottle and Lewis LLP
Hanover House, 14 Hanover Square
London
W1S 1HP

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House, 108–114 Golden Lane
London
EC1Y 0TL

The Trustees present their report and the audited financial statements for the year ended 31 December 2017.

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. Chairman's Report

Big Change was set up to think differently about how charity can be a catalyst for positive, long term change for young people in the UK.

Since our launch in 2012 we have been learning by doing: identifying and backing the powerful ideas that are rethinking how we set young people up to thrive in life, not just in exams. We are continually evolving our approach to meet the needs of young people and the broader sector by taking advantage of our unique assets to drive change.

Below is a highlight of our work and focus against the three pillars of our strategy in 2017:

1. IMPACT – Focusing on key outcomes

After having recognised in 2016 that Big Change can have greater impact by focusing on outcomes vs. individual projects, in 2017 we sought out our first joined-up project cohort based on three defined outcome areas. In total, we allocated £1,082,646 to 9 projects – double the amount of all previous Big Change grants combined. Of this amount, £333,209 was disbursed in 2017, with the remainder allocated for 2018. The 2017 project cohort, by outcome area, looks like this:

2. COMMUNITY – Growing our community for the long term

In 2017, we ran our fourth STRIVE challenge, however this one was on a smaller scale in both duration and participant size. Held in Morocco over 7 days in November, the event was a resounding success raising £522,073 to fund Big Change projects. The event was not only a huge success in terms of funds raised, community building and profile raising, but also turned a trading profit of £19,599.

At its core STRIVE is about building a community of long term supporters – 28 extraordinary Strivers took part, from social entrepreneurs to business leaders, potential funders and high-profile influencers – to fund and accelerate our projects impact.

In addition to STRIVE, we ran a series of dinners to launch each outcome area and engage high-potential donors and influencers with Big Change (one on Oracy in March and one on Teacher Wellbeing in June). Our final event of the year was our annual Impact Event, inviting our community of strivers, donors and project partners together to engage with our new projects and celebrate five years of Big Change.

3. ADVOCACY – Laying foundations for thought leadership

2017 saw a step change in our research and advocacy as we partnered with Virgin Unite and Think Global School on a gathering of cross-sector leaders from education, business and social change. We partnered with a team at Boston Consulting Group to lay out an initial vision for why, and how, we need to reimagine education to ensure young people are set up to thrive in life and contribute positively to the world around them. The partnerships and insight gained has laid the foundation for more public research and thought leadership in 2018.

We launched our Catalyst Circle in 2017, an inner circle of supporters who back our core costs, model and knowledge development. Their support enabled us to grow our team and invest in our ability to learn and proactively identify what needs to change, and amplify our funding through partnerships. We are very grateful to Virgin Unite, Softbank and Joann McPike who are all members of our Catalyst Circle and helping us develop a new model of charity that is future focused and community driven.

Big Change turned five this year and we are proud of the eighteen powerful projects we have backed so far, the diverse community we have built and our unique role in the sector. We look forward to 2018 and bringing all of this together as a catalyst for reimagining education for the next generation to thrive.

Philip Nevin (Chairman)

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Date:

2. About Big Change

Big Change is a social impact accelerator. We back big ideas that are rethinking how we set young people up to thrive in life, not just exams.

We do that by finding, incubating, and connecting powerful ideas to the people, funding and support that can make change a reality. Recognising that change doesn't happen by doing more of the same, there are two key things that we do differently:

1. Our Focus – our project partners give young people the skills, opportunities and support to thrive in life, not just in exams. All of our project partners work preventatively and systemically and we strive to understand and deal with root causes of problems rather than their symptoms. We aim to:
 - i. Give young people the skills to believe in themselves and drive change in their own lives and the world around them eg. We are actively supporting Voice 21's work to build young people's communication and social skills – or Oracy. This is a critical skill gap that underpins academic attainment, mental health, healthy relationships and employability.
 - ii. Help young people access the opportunities they need to develop and grow. Our focus on helping young people broaden their horizons through our work with Head Start is an example of our work in this area.
 - iii. Create environments of support for young people where change is possible – often that means understanding and working with key adults including parents, teachers, social worker or guardians. Our early work into teacher wellbeing and support of Institute for Teaching, Achievement for All, Whole Education and How to Thrive are examples of our work in this area.
2. Our Approach – we support big ideas at an early stage to help them prove their impact and grow. We work closely with our partners to develop and implement their plans recognising that early stage ideas often need flexible and tailored support. We think about impact in three ways:
 - i. Potential for impact – we look for projects that have the potential to drive exponential rather than incremental change. They address a clear need or gap in the current way things are done to drive long-term, systemic change.
 - ii. Growing organisational capacity – we help organisations to become sustainable and capable of driving impact at scale. We cover operating costs and amplify investment through connections, partnerships, and profile.
 - iii. Impact on Young People – the core purpose of our projects is to drive positive change for young people, equipping them with the skills, experiences and opportunities to thrive. While each project is different, all share the common goal to empower young people.

3. Our impact

	2017 Achievements	2018 Future Activities
Impact	<ul style="list-style-type: none"> - Supported nine new projects - Provided ongoing support to existing projects (21 Trust, City Year) - Published our emergent narrative based on convening and learning from experts in the sector around Teacher Wellbeing and Oracy. - Launched our three key outcome areas 1) Oracy 2) Teacher Wellbeing 3) Broadening Horizons 	<ul style="list-style-type: none"> - Ongoing support to our active project portfolio - Identify and back 2 new projects via FastTrack allocations process
Community	<ul style="list-style-type: none"> - Raised £522k through the STRIVE Challenge - Launched 'funding circles' to directly support our three outcome areas - Launched the Catalyst Circle – building additional partners and donors to support Big Change core costs - Expanded our community of long-term supporters and donors (260 strivers – 50% new) - Developed and delivered a suite of annual community events including donor dinners and an Impact Event 	<ul style="list-style-type: none"> - 3rd Virgin STRIVE Challenge to see 220 people raising £1million for Big Change Impact Fund - Launch our Big Changers community of donors - Develop 2 further corporate partnerships to support Big Change mission - Pilot a partnership with Pitch @ The Palace to showcase our project partners and make connections to accelerate their growth and impact - Explore partnerships with other funders in the sector.
Research and Advocacy	<ul style="list-style-type: none"> - Launched research around redefining success to outline and advocate for broader outcomes for young people - Partnered with Virgin Unite on gathering and research/advocacy around Reimagining Education Gathering - Partnered with Boston Consulting Group to lay the foundations for Reimagining Education research and campaign - Launched our emergent narrative around our three key outcome areas to 	<ul style="list-style-type: none"> - Publish research around Reimagining Education Together (co-created with key sector partners) - Series of roundtable events to convene and engage cross sector leaders in a united movement around reimagining education - Partner to produce a series of short films with young people around the need for change - Provide a platform from cross-sector and discipline voices to talk about the needs and opportunities for change in

Big Change Charitable Trust

Trustees' annual report

For the year ended 31 December 2017

	focus project selection and drive advocacy for change - Published 5 th anniversary in-depth impact review	how we support young people to thrive in life
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In 2017, we undertook a project finding process and pledged a total of £1,082,646 to nine new projects over two years. Of this amount, £333,209 was disbursed in 2017, with the remainder allocated for 2018. Details of the process and our projects are below.

Project finding process

We source partner projects through a formal tender process where we issue a 'Request for Proposals' to our existing networks and the wider market and ask would-be applicants to submit a one page proposal outlining their idea and the potential behind it.

In 2017, we included an emergent narrative around the growth mindset and setting young people up to thrive in life, vs. just in exams. This helped to guide applicants to the areas we had identified through research and led to a higher quality of application.

We conduct an initial review of all the proposals we receive (we received 43 proposals in total in 2017) and progress the strongest ideas based on the criteria below – we expect roughly 10% of projects to make it through this initial stage. The projects we take to the second round must be:

- of clear benefit to children and/or young people aged 0–25 in the UK;
- based on a new or unproven idea or new application of an existing idea (e.g. in new sector/geography);
- able to have an impact on the broader sector as much as on immediate beneficiaries;
- connected to the development of life skills and related opportunities (e.g. communication, teamwork, emotional resilience);
- based on evidence that it *could* work, even if there isn't a track record demonstrating that it *has* worked.

In the second round, we ask projects to submit a fuller proposal explaining the idea in more detail, the people behind it and how Big Change could contribute outside of gifting money. We also ask for a full budget and timeline. We conduct thorough research into the validity of the idea by consulting sector experts, on the ground practitioners (eg. teachers) and qualified members of our own community on the need and likely success of the project. Management makes a recommendation to Trustees about which particular projects to support based on that consultation and then conducts relevant due diligence per clause 8. In order to arrive at a particular recommendation, we pay particular attention to the following:

- How much of an impact could the project have on the wider sector?
- How much of an impact could Big Change have on the project? I.e. what can we bring that others couldn't?

For those projects that had a bold ambition but the proposal for action wasn't quite ready for funding we have a pipeline and are supporting the organization to develop their plans for potential future funding.

There were key areas that were identified as great opportunities for impact: 1) further support around Oracy 2) deepening our understanding to fund Teachers Thriving 3) Broadening Horizons.

A. New projects in 2017

- I. ORACY- 3 Projects – £450,000 allocated (£113,915 disbursed in 2017): We added two projects to the Oracy stable as Voice Bradford (Bradford Birth to 19 SCITT) and The Communications Trust (I CAN Charity) joined Oracy powerhouse, and long-time Big Change partner, Voice 21(School 21 Foundation) in helping young people in the UK find their voice. Each partner received a grant of £150,000 over a period of two years, with Voice Bradford receiving £40,000 in 2017, and Voice 21 £50,000.

Voice Bradford's '50 Things to do before you're 5' campaign has been designed to help promote Bradford parents' and carers' early engagement in their children's development, and make Bradford England's first 'City of Oracy'. The campaign will officially launch in early Summer.

The Communications Trust's 'Early Voices' programme is working to equip health visitors with the knowledge they need to support families to improve children's communication development and speech and language skills in the home. Health visitors are currently being recruited, and the full training programme will launch in May.

Voice 21 continue to expand their work across the UK at pace and have now set up 6 Voice areas. The team have also delivered training and support to 225 schools and 1,786 teachers this year, and continue to influence thinking and debate at a national level. In March over 350 teachers and educators from across the UK came together for a day of debate, discussion and celebration of the spoken word at the first ever Great Oracy Exhibition at School 21.

- II. TEACHERS THRIVING – 5 Projects – £466,824 allocated (£177,839 disbursed in 2017): Confident in our pioneering 2016 research, we partnered with five trailblazing organisations who are rethinking support to ease the crisis facing teachers in the UK. The Institute for Teaching (Ark Schools; £125,000 allocated overall, £62,796 disbursed in 2017), How to Thrive (£160,000 allocated overall, £54,500 disbursed in 2017), The Difference (£50,000 allocated overall, £30,000 disbursed in 2017), Achievement for All (£62,824 allocated overall, £5,543 disbursed in 2017) and Whole Education Ltd. (£69,000 allocated overall, £25,000 disbursed in 2017) are all helping teachers thrive so young people can as well.

The Institute for Teaching have been conducting initial research and publishing learnings and findings into wellbeing, positive psychology and personal development across the teaching profession. The research sets out five dimensions of wellbeing which have informed the development of their first pilot wellbeing programme for teachers, launched in February with nine early career teachers who are potentially at risk of burnout. The IFT are also developing a 'toolbox' of practical tools which will be made available to teachers and school leaders following further pilots later in the year.

Achievement for All have launched 'Achieving Wellbeing', a national programme that aims to put forward robust and evidence-based solutions for schools to tackle the critical issue of teacher wellbeing. Achievement for All is working with a cross-section of primary and secondary schools in England to develop and deliver an 'action research project', testing solutions across a range of themes impacting on teacher wellbeing and capability.

The Difference has been set up to create a new generation of leaders able to deliver the best education to the most vulnerable children through a new professional development and leadership route where exceptional teachers are trained as mental health specialists. The founders are also leading a national media and policy campaign to raise the profile of the issue of school exclusion, which hampers the life chances of so many vulnerable young people.

Whole Education launched a strategic HR programme for multi-academy trusts, designed in collaboration with cross-sector HR professionals and leaders from other industries. Due to high interest and demand a second cohort is already being recruited for later in the year. Areas covered during the programme include: workforce development, standardised processes, recruitment, staff retention and shared learning across schools.

How to Thrive seek to transform how resilience is considered, communicated and taught in the UK's schools for both young people and teachers. Founder Lucy Bailey continues to use her voice to bring the issue of wellbeing into the broader public conversation. How to Thrive are also directing Healthy Minds – currently the largest research project of its kind – testing a model for teaching personal, social and health topics consistently by quality trained teachers in secondary schools.

III. BROADENING HORIZONS – 1 Project – £165,822 allocated (£41,455 disbursed in 2017):

Headstart (The Challenge Network) is leading the way in this outcome area, working to bridge the gap for young people between education and employment. Big Change is continuing its search in 2018 for other big ideas that will set the next generation up to succeed.

Headstart is a programme established by The Challenge which looks to develop young people's life skills and more general employability skills through structured work placements in the voluntary and social enterprise sector. Through Big Change's grant they

are working with six further-education Colleges across England to trial the programme with learners preparing for work placements as part of their post 16 courses of study. In addition to the new cohort, Big Change completed its grant funding to two 2016 projects, City Year (£95,000) and Voice 21 (via the parent entity, 21 Trust Foundation) (£88,500).

Big Change's first grant to **Voice 21** enabled them to establish themselves as an independent charity, with a dedicated staff team, separate but still housed within School 21, codify their training and development programmes, and explore advocacy campaigns and run national events to raise the profile of Oracy across the education sector. Over the two-year funding period they developed an online learning platform with an extensive toolkit of curriculum and teaching resources and guides for teachers, accessed by over 1500 teachers and school leaders; directly trained over 600 teachers, working in 250 schools; in partnership with Cambridge University designed a nationally accredited Oracy leaders programme; and started to explore partnerships with ICAN, EY, Sutton Trust, NCS and Ashoka, to improve advocacy and scale. In May 2016, Voice 21 commissioned a major piece of research into the state of speaking in schools (funded by Big Change Phase 1 grant). The findings of this research received widespread media coverage (including BBC Radio 4's Today Programme, ITV regional news, The Guardian and The Times). Voice 21 have also been internationally recognised in the HundrED top 100 global education innovations, and is now seen as a leading provider, campaigner and thought leader on oracy.

Through Big Change's grant **City Year** established the Full Time Social Action Alliance (FTSAA), a coalition of organisations to advocate and lobby for the creation of a legal status in national law for a full-time year of service or social action. The campaign has been successful in building the evidence base for the legal status of full-time volunteers, and the Government commissioned an Independent review into the issue, with policy and legislative recommendations expected

4. Financial Review

Operating budget and grant making

We are grateful to Virgin Unite and Softbank for supporting Big Change overheads in 2017. Their grant covered all staff and operating costs, which totalled £393,897 (excluding 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 £113,011 (2016: £46,000). 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; eJigsaw for designing the strivechallenge.org website; BCG for providing strategic consulting services; and Cooleys LLP and Kirkland and Ellis LLP for providing pro bono legal support via Trust Law.

During the year the cost of charitable activities was £809,163 (2016: £583,161). This includes direct grants to institutions of £333,209 (2016: £184,000) as highlighted in Section 3, Our Impact. For the 12-month period ending 31 December 2017, income exceeded costs by £374,765 (2016: income exceeded costs by £1,193,603). Consolidated unrestricted reserves increased during the period to £1,712,536 (2016: £1,337,771).

STRIVE Challenge

In 2017, we developed and delivered a smaller-scale STRIVE Challenge that saw 28 Strivers take part in a biking and hiking challenge in Morocco, North Africa. The challenge took place during the first week of October, with participants starting with a cycle leg from Marrakech and finishing atop Mount Toubkal in the Atlas Mountains. This was the first time Big Change attempted a week-long Strive event and raised £522,023 for Big Change projects. It also helped us to develop new relationships with influential community members and raise the profile of our mission.

Income from fundraising events including STRIVE was £1,296,465 (2016: £3,087,562) which comprised mainly charitable donations of £859,719 (2016: £1,469,003). The direct costs of the STRIVE event in 2017 totalled £163,503 (2016: £1,161,758).

Going concern and reserves policy

The Board of Trustees are of the opinion that 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 December 31, 2017, the Trustees' reserves policy is that Big Change should retain in the form of either cash or contacted 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 2017, Big Change held £1,200,000 in reserves to account for £749,437 in designated project grants and £450,000 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.

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 (eg. applicant's website, 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; and
- records and reports impact of the grant.

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 Senior Leadership Team (SLT) 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 SLT.

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. No Trustees were reimbursed for any expenses incurred during the year. 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

Big Change Charitable Trust

Trustees' annual report

For the year ended 31 December 2017

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;
- (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
Financial: Big Change is still heavily reliant on income from Virgin Unite to cover overheads and donations from STRIVE to fund grant making	<ul style="list-style-type: none"> • Further diversify income sources through the Impact Fund and expanding the organisations backing our core costs (Catalyst Circle launched in 2017) • Develop and clarify our fundraising 'ask'; and • Ensure that we retain adequate reserves from future STRIVE events and review reserve levels at quarterly Trustee meetings
Sustainability: Big Change's over-reliance on personal networks leads to donor-fatigue, impacting STRIVE participation numbers and overall Community engagement	<ul style="list-style-type: none"> • Formalise the Big Change offer, by Tier, to build a connection between the brand and the donor; • Further link STRIVE to Big Change ethos; • Develop post-2018 STRIVE strategy to ensure the fundraising event's long-term sustainability
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; and • Maintain clear paper trails for all donations received
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; and • Ensure that grantees are reporting back to Big Change per grant agreements
Impact: Big Change struggles to measure impact across projects, and as an organisation, reducing its ability to accurately measure its	<ul style="list-style-type: none"> • Impact framework in development; key priority area for 2018. Working closely with partners to ensure data is being collected that can feed-in to overall impact measurement

Big Change Charitable Trust

Trustees' annual report

For the year ended 31 December 2017

effectiveness, decreasing its attractiveness to supporters	
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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.

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 and codes and the Trust received no complaints 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 2017 no specific investment policy was in place, however the Trust is working towards implementing such a policy during the current year.

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).

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

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Trustees' annual report

For the year ended 31 December 2017

- 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.

14. Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report has been approved by the Trustees on 26 June 2018 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 'charitable company') for the year ended 31 December 2017 which comprise the consolidated statement of financial activities, balance sheets, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 2017 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

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

Conclusions relating to going concern

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

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

Independent auditor's report

To the members of

Big Change Charitable Trust

Other information

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

We have nothing to report in this regard.

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 charitable company and its 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 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The Trustees were not entitled to 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.

Independent auditor's report

To the members of

Big Change Charitable Trust

Responsibilities of Trustees

As explained more fully in the statement of responsibilities of the Trustees set out in the Trustees' annual report, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 entity'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 entity'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

Independent auditor's report

To the members of

Big Change Charitable Trust

are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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)

16 July 2018

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Big Change Charitable Trust

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

For the year ended 31 December 2017

	Note	Unrestricted £	Restricted £	2017 Total £	Unrestricted £	Restricted £	2016 Total £
Income from:							
Donations and legacies	2	1,241,685	118,737	1,360,422	1,779,513	60,000	1,839,513
Other trading activities	3	180,709	-	180,709	1,248,049	-	1,248,049
Total income		1,422,394	118,737	1,541,131	3,027,562	60,000	3,087,562
Expenditure on:							
Raising funds		357,204	-	357,204	1,310,798	-	1,310,798
Charitable activities							
Impact		403,542	118,737	522,279	309,450	60,000	369,450
Community		183,676	-	183,676	122,347	-	122,347
Advocacy		103,207	-	103,207	91,364	-	91,364
Total expenditure	4	1,047,629	118,737	1,166,366	1,833,959	60,000	1,893,959
Net income for the year and net movement in funds		374,765	-	374,765	1,193,603	-	1,193,603
Reconciliation of funds:							
Total funds brought forward		1,337,771	-	1,337,771	144,168	-	144,168
Total funds carried forward		1,712,536	-	1,712,536	1,337,771	-	1,337,771

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 2017

	Note	The group		The charity	
		2017	2016	2017	2016
		£	£	£	£
Fixed assets:					
Investments	11	-	-	1	1
		-	-	1	1
Current assets:					
Debtors	13	435,850	112,621	257,963	139,898
Cash at bank and in hand	19	1,620,144	1,463,239	1,501,559	1,366,233
		2,055,994	1,575,860	1,759,522	1,506,131
Liabilities:					
Creditors: amounts falling due within one year	14	343,458	238,089	46,987	168,363
Net current assets		1,712,536	1,337,771	1,712,535	1,337,768
Total net assets	16a	1,712,536	1,337,771	1,712,536	1,337,769
Funds:	17a				
Restricted income funds		-	-	-	-
Unrestricted income funds:					
General funds		963,099	737,771	963,099	737,769
Designated funds		749,437	600,000	749,437	600,000
Total unrestricted funds		1,712,536	1,337,771	1,712,536	1,337,769
Total funds		1,712,536	1,337,771	1,712,536	1,337,769

Approved by the Trustees on 26 June 2018 and signed on their behalf by

P Nevin

I. A. McGregor

Big Change Charitable Trust

Consolidated statement of cash flows

For the year ended 31 December 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>156,905</u>	<u>1,074,504</u>
Change in cash and cash equivalents in the year		156,905	1,074,504
Cash and cash equivalents at the beginning of the year		<u>1,463,239</u>	<u>388,735</u>
Cash and cash equivalents at the end of the year		<u><u>1,620,144</u></u>	<u><u>1,463,239</u></u>

Big Change Charitable Trust

Notes to the financial statements

For the year ended 31 December 2017

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 Hanover House, 14 Hanover Square, London, W1S 1HP.

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) (September 2015) 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.

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 unrestricted funds earmarked by the trustees for particular purposes.

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.
- 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.

● Grant Making	45%
● Support costs	45%
● Governance costs	15%

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) 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.

n) Investments in subsidiaries

Investments in subsidiaries are at cost.

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) 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.

r) 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 2017

2 Income from donations and legacies

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Virgin Unite	387,692	–	387,692	324,510
Donated services	113,011	–	113,011	46,000
Charitable Donations	740,982	118,737	859,719	1,469,003
	<u>1,241,685</u>	<u>118,737</u>	<u>1,360,422</u>	<u>1,839,513</u>

The donated goods and services consisted of (i) accountancy, taxation, legal support and free rent provided by Virgin Management Limited throughout the period; (ii) web design and support from eJigsaw Limited for the build of the strivechallenge.org website; (iii) pro bono legal services provided by Cooley's LLP and Kirkland and Ellis LLP; and (iv) strategic consulting from BCG in support of Big Change's Reimagining Education work.

3 Income from other trading activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Sponsorship (events inc. STRIVE)	–	–	–	461,494
Entry Fees (events inc. STRIVE)	177,614	–	177,614	786,555
Other	3,095	–	3,095	–
	<u>180,709</u>	<u>–</u>	<u>180,709</u>	<u>1,248,049</u>

Big Change Charitable Trust

Notes to the financial statements

For the year ended 31 December 2017

4 Analysis of expenditure

	Cost of raising funds £	Charitable activities			Governance costs £	Support costs £	2017 Total £	2016 Total £
		Impact £	Community £	Advocacy £				
Staff costs (Note 7)	91,153	91,153	60,769	30,384	30,384	-	303,843	280,224
Events	129,342	-	-	-	-	-	129,342	994,779
Marketing	15,260	-	34,961	-	-	32,575	82,796	199,902
Research and Content	-	54,283	53,763	38,641	-	20,000	166,688	104,030
Office and Premises costs	-	-	-	-	-	50,000	50,000	46,000
General Expenses	-	-	-	-	-	57,847	57,847	45,310
Legal and Professional	18,901	9,451	-	-	3,150	10,436	41,938	37,798
Grants awarded (note 5)	-	333,209	-	-	-	-	333,209	184,000
Trustee Insurance	-	-	-	-	702	-	702	1,916
	254,656	488,097	149,494	69,025	34,236	170,858	1,166,364	1,893,959
Support costs	85,430	28,476	28,476	28,476	-	(170,858)	-	-
Governance costs	17,118	5,706	5,706	5,706	(34,236)	-	-	-
Total expenditure 2017	357,204	522,279	183,676	103,207	-	-	1,166,364	
Total expenditure 2016	1,310,798	369,450	122,347	91,364	-	-		1,893,959

Big Change Charitable Trust

Notes to the financial statements

For the year ended 31 December 2017

5 Grant making

	Grants to institutions £	2017 £	2016 £
City Year	-	-	95,000
School 21 Foundation	50,000	50,000	89,000
How to Thrive	54,500	54,500	-
The Challenge Network	41,455	41,455	-
Whole Education	25,000	25,000	-
ARK Schools	62,796	62,796	-
The Difference	30,000	30,000	-
Bradford Birth to 19 SCITT	40,000	40,000	-
I Can Charity	23,915	23,915	-
Achievement for All	5,543	5,543	-
At the end of the year	<u>333,209</u>	<u>333,209</u>	<u>184,000</u>

Reconciliation of movements in grant creditors	2017 £	2016 £
Brought forward grant creditor	134,000	206,940
Add: Grants awarded in the year	333,209	184,000
Less: Grants paid in the year	(443,294)	(256,940)
Carried forward grant creditor (note 14)	<u>23,915</u>	<u>134,000</u>

6 Net incoming resources for the year

This is stated after charging:

	2017 £	2016 £
Trustees' indemnity insurance	533	1,916
Auditor's remuneration (excluding VAT):		
Audit	6,500	6,250
Audit – under accrual from prior year	590	-
	<u>7,623</u>	<u>8,166</u>

Big Change Charitable Trust

Notes to the financial statements

For the year ended 31 December 2017

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

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	264,765	229,973
Redundancy and termination costs	–	24,000
Social security costs	26,838	26,251
Recruitment and other staff-related costs	12,240	–
	<u>303,843</u>	<u>280,224</u>

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

	2017 No.	2016 No.
£60,000 – £69,999	–	2
£70,000 – £79,999	1	–
	<u>1</u>	<u>2</u>

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £84,458 (2016: £174,529).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,040 (2016: £nil) incurred by 2 (2016: 0) 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:

	2017 No.	2016 No.
Raising funds	2.0	2.0
Grant Making	3.0	2.5
	<u>5.0</u>	<u>4.5</u>

Big Change Charitable Trust

Notes to the financial statements

For the year ended 31 December 2017

9 Related party transactions

During the year legal fees of £9,000 (Trading) and £8,297 (Trust) (2016: £25,378) were paid to Harbottle and Lewis LLP (Total: £17,297) in respect of legal services provided to the charity in connection with secretarial duties and advice in relation to sponsorship contracts, intellectual property, employment and all adhoc legal queries. 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 2017 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 £50,000 (2016: £46,000). Holly Branson is a trustee of Big Change and works full time at Virgin Management Limited.

Holly, and her brother Sam Branson, are founders and Trustees of Big Change and both are employed by Virgin Management Limited, a subsidiary of Virgin Group Holdings Limited (the ultimate parent company of the Virgin Group). During the year accommodation fees for Big Change team members of £43,204 (2016: £7,500) were paid to Kasbah Tamadot (£36,521) and El Fenn (£6,683) hotels as part of the 2017 STRIVE Challenge in Morocco. Kasbah Tamadot is owned and run by Virgin Limited Edition, a business which is part of the Virgin Group. El Fenn is partly owned by Vanessa Branson, Holly and Sam's aunt and Noah Devereux's mother. Both hotels gave Big Change a significant discount as a result of the close

Virgin Enterprises Limited agreed to become headline sponsor for the 2018 STRIVE Challenge and paid a fee of £275,000, of which £90,000 was paid in 2017 (balance to be paid in instalments in 2018). Virgin Enterprises Limited is a subsidiary of Virgin Group Holdings Limited; Holly and Sam Branson are employed by another subsidiary of Virgin Group Holdings Limited. In 2013 and the early part of 2014, Big Change undertook a public sponsorship process to ensure that we were licensing our rights in the STRIVE Challenge for the market rate.

Virgin Unite has provided the charity with an unrestricted grant of £222,037 (2016: £324,510) to cover the core costs of the charity. Holly Branson is a trustee of Big Change and is Chairperson of Virgin Unite. Benjamin Hay is a trustee of Big Change and an employee of Virgin Management Limited.

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:

	2017	2016
	£	£
UK corporation tax at 19.25% (2016: 20%)	-	-

Big Change Charitable Trust

Notes to the financial statements

For the year ended 31 December 2017

11 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Big Change Trading Limited, a company registered in England. 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:

	2017 £	2016 £
Turnover	180,709	1,243,549
Cost of sales	(155,358)	(1,161,758)
Profit on ordinary activities before taxation	25,351	81,791
Taxation	-	-
Profit for the financial year	25,351	81,791
Retained earnings		
Retained earnings brought forward	-	(11,672)
Profit for the financial year	25,351	81,791
Distribution under gift aid to parent undertaking	(25,351)	(70,119)
Retained earnings carried forward	-	-
The aggregate of the assets, liabilities and funds was:		
Assets	373,618	190,600
Liabilities	(373,617)	(190,599)
Capital and retained earnings	1	1

12 Parent charity

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

	2017 £	2016 £
Gross income	1,385,771	1,868,132
Result for the year	194,116	1,181,932

13 Debtors

	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	237,000	97,621	-	4,025
Prepayments and Other debtors	18,195	-	162	-
Accrued income	180,655	15,000	180,655	15,000
Amounts owed by Subsidiary	-	-	77,146	120,873
	435,850	112,621	257,963	139,898

14 Creditors: amounts falling due within one year

	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	16,020	10,296	15,822	3,613
Grant Creditors	23,915	134,000	23,915	134,000
Accruals	7,250	93,793	7,250	30,750
Deferred income (note 15)	296,273	-	-	-
	343,458	238,089	46,987	168,363

15 Deferred income

Deferred income comprises entry fees and donations in relation to STRIVE 2018

	The group		The charity	
	2017 £	2016 £	2017 £	2016 £
Balance at the beginning of the year	-	53,994	-	-
Amount released to income in the year	-	(53,994)	-	-
Amount deferred in the year	296,273	-	-	-
Balance at the end of the year	296,273	-	-	-

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

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Net current assets	963,099	749,437	-	1,712,536
Net assets at 31 December 2017	963,099	749,437	-	1,712,536

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

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Net current assets	737,771	600,000	-	1,337,771
Net assets at 31 December 2016	737,771	600,000	-	1,337,771

Big Change Charitable Trust

Notes to the financial statements

For the year ended 31 December 2017

17a Movements in funds (current year)

	At 1 January 2017 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2017 £
Restricted Funds	-	118,737	(118,737)	-	-
General funds	737,771	1,422,394	(874,612)	(322,454)	963,099
Designated funds	600,000	-	(173,017)	322,454	749,437
Total funds	1,337,771	1,541,131	(1,166,366)	-	1,712,536

Restricted funds: in October 2017, £100,000 was granted by CHK Charities Limited to Big Change Charitable Trust. These funds were to be allocated specifically to the Institute for Teaching, a project which is part of Big Change's Teacher Wellbeing Impact Fund. As per the grant agreement, the funds are to be allocated in two tranches: £50,000 in October 2017 and £50,000 in October 2018, therefore £50,000 has been recognised as restricted income in 2017. In February 2017, restricted donations were received by the Trust in the amount of £28,737 in support of specific costs incurred in Big Change's Reimagining Education work.

During the year, restricted donations in the amount of £40,000 were received by the Trust in support of the Charity's work on Oracy projects.

Designated funds are described in the Chairman's report on page 3.

17b Movements in funds (prior year)

	At 1 January 2016 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2016 £
Restricted Funds	-	60,000	(60,000)	-	-
General funds	144,168	3,027,562	(1,833,959)	(600,000)	737,771
Designated funds	-	-	-	600,000	600,000
Total funds	144,168	3,147,562	(1,953,959)	-	1,337,771

18 Reconciliation of net income to net cash flow from operating activities

	2017 £	2016 £
Net income for the reporting period (as per the statement of financial activities)	374,765	1,193,603
(Increase) in debtors	(323,229)	(86,594)
Increase/(decrease) in creditors	105,369	(32,505)
Net cash provided by operating activities	156,905	1,074,504

19 Analysis of cash and cash equivalents

	At 1 January 2017 £	Cash flows £	Other changes £	At 31 December 2017 £
Cash at bank and in hand	1,463,239	156,905	-	1,620,144
Total cash and cash equivalents	1,463,239	156,905	-	1,620,144

20 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.