

Company number: 07679479

Charity number: 1145224

# Big Change Charitable Trust

Report and financial statements

For the year ended 31 December 2018

# Big Change Charitable Trust

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### For the year ended 31 December 2018

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## Big Change Charitable Trust

### Reference and administrative information

For the year ended 31 December 2018

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**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	(Resigned 5 April 2018)
B. J. Hay	
I. A. McGregor	
R. Perry	
S. Richardson	
D. Scott	
B. York	
D. Gannon	(Appointed 1 November 2018)

<b>Senior Management</b>	Vanessa North	Chief Executive Officer
	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 2018.

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. 2018 saw us clarify our long-term goals: to shift mind-sets, action and support so that every young person is set up to thrive in a world of constant change. It is with these three areas of focus in mind that we celebrate a successful 2018.

- 1) Shifting mind-sets: We furthered our work on Reimagining Education Together, building an exceptional network and harnessing the collective insight from cross sector experts around system change in education (report and films to be released 2019).
- 2) Supporting action: With the addition of three new projects we have now supported 22 early stage pioneers challenging the status quo and driving system change in the UK. This year we distributed £839,080 in grants to thirteen active projects and celebrated many successes as Big Change projects received follow on funding, international innovation awards and Charity CEO of the year.
- 3) Building support: The Virgin STRIVE Challenge saw us bring together 202 strivers to collectively raise £1.48m and build both long term support networks and raise the profile of our mission.

The strong developments in our impact and influence was matched by a strong performance fundraising and deepening the stability of the organization. Financially, 2018 was a record setting year for Big Change as charitable giving rose to £2.5m, 39% more than the £1.8m raised in 2017. Income outpaced expenditure (which included £1m in impact-related disbursements) by £900k; these funds will now be used to further our impact work in 2019 and beyond.

Two fundraising trends emerged in 2018: first, Big Change's reliance on Strive income continued to decline, with the flagship event contributing only 56% of total income in 2018, versus 80% in 2016 and 87% in 2014. Second, funds raised by self-organising individuals formed a greater part of overall non-Strive income (10%) than ever before, independently raising over £100,000 on behalf of Big Change, double the 2017 total.

Another promising development was the increase in core funding: donations to the Catalyst Circle increased by 30% year-on-year, and came from a wider variety of sources, both private and institutional. We also furthered our efforts to lower core costs through in-kind donations:

£146k worth of IT, facilities, and legal services were provided pro-bono, 30% higher than in 2017, and totalling £305,000 since 2016.

We close 2018 on a solid footing – in terms of our networks of insight, action and supporters as well as our finances. We look forward to building on these foundations in 2019 by supporting the collective impact of these networks for even greater impact and support for all young people to thrive.

Philip Nevin (Chair)

## 2. About Big Change

Big Change's **mission** is to reimagine education so that every young person can thrive in life.

The realities of modern life do not match up to the current education system. We believe real change requires a brave new approach. That's why we back big ideas that are focused on solving the problems that prevent young people from reaching their potential and thriving in life.

By 2030 we want to see:

1. **A new common sense** around education whereby society has widely embraced a new paradigm in which every young person is set up to thrive.
2. Young people nationwide engaged in **a broader education**, with alignment and accountability.
3. A **universal commitment** whereby all segments of society are working together to help young people thrive.

We'll achieve this is by:

- a) Gathering cross-sector **insights** to understand what is needed to reimagine education over the long-term
- b) Taking **action** on issues where we can make a real difference by backing early-stage, high-impact projects
- c) Activating **support** from a diverse network of people and organisations

We'll know we've achieved this when:

- a) There is a cross-party parliamentary strategy with a long-term, evidence-based approach.
- b) At least 50 local communities are actively working together to support young people.
- c) Big Changers are in sector leadership positions.
- d) A majority of Big Change projects have scaled to impact the system nationwide.
- e) We've witnessed a tipping point of people, communities, companies and schools collectively striving for change.
- f) Key stakeholders are encouraging and investing in ongoing innovation.
- g) A central hub with global partnerships.

We work across three-levels:

1. The **systems-level** where we learn from a network of global pioneers and cross-sector experts who are reimagining education to ensure all young people are set up to thrive. They help us to understand why change is needed, what areas are most critical and how system change can happen. This insight then informs our work with sector partners and on-the-ground changemakers in the UK.
2. The **issue-level** where we identify the areas in the UK system where there is a combination of pressing need, real opportunity to make a difference and a unique role for Big Change to support big ideas for system change. We target areas that are root causes of bigger issues and will have the greatest long-term impact on the lives of young people.
3. The **project level** where we find and back the visionary leaders who have new solutions to systemic issues. We provide early stage funding to help them to learn, evolve and prove the impact of the issue and solution and deepen their network of support.

How we work with our project partners:

- We work closely with our partners to develop and implement their plans recognising that early stage ideas often need flexible and tailored support. We offer three areas of support to our project partners:
  - i. To develop a **focus on impact and learning** – setting themselves up to generate the evidence and insight to demonstrate the value and viability of their intervention.
  - ii. To develop **demand and visibility for their interventions** – boosting their profile within the education and learning space, setting them up to leverage their impact and insights to increase the sector's support for their interventions.
  - iii. To build a **wider network of support** – including other funders – through helping project partners clearly articulate their impact and boost the visibility of and demand for their intervention.
- Our project partners work preventatively and systemically and we strive to understand and deal with root causes of problems rather than their symptoms.
- Our project partners aim to:
  - i. Give young people the skills to believe in themselves and drive change in their own lives and the world around them.
  - ii. Help young people access the opportunities they need to develop and grow.
  - 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.

### 3. Our Projects

In 2018, we undertook, for the first time, a 'Fast Track' grant-making process whereby we solicited applications from a number of organisations/project ideas who were part of our pipeline development. Each submitted a detailed proposal which was assessed both internally and by an invited Impact Council of sector experts.

## Big Change Charitable Trust

### Trustees' annual report

#### For the year ended 31 December 2018

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This accelerated grant funding round enables Big Change to remain agile and reactive as a funder in supporting projects:

- That align with our overall philosophy and the emerging vision of Reimagining Education Together;
- Where there is high urgency (i.e. funding requirements/timelines of applicants fall outside of Big Change's biennial post Strive funding round), and;
- Where high potential for long-term impact can be demonstrated.

The total funding pot for the Fast Track round was £250,000, of which **£249,500** was allocated to four projects over two years. Of this amount, **£181,750** was disbursed in 2018, with the remainder (£67,750) allocated for 2019. Details of the projects are below.

#### New 'Fast Track' projects in 2018

##### i. The Oracy Network (£21,750 of £39,500) - *through Voice 21*

A partnership between long-standing Big Change super-partner Voice 21 and a coalition of third-sector organisations to establish a national Oracy Network, including organisations which support oracy from early years through to employment, broadening the focus beyond just schools. The Oracy Network will co-ordinate research, promote best practice and encourage the overarching principles of oracy in education and society, as well as oversee the Secretariat for the newly established Oracy APPG, a potentially powerful vehicle for lasting change. This project is seen as a 'bookend' to Big Change's work and investment in Oracy as an Issue Area.

##### ii. The Big Education Conversation (£35,000 of £60,000)

Big Education Conversation (BEC) is led by Whole Education, who are a top network of innovative schools and education providers in the country. BEC uses a decentralised delivery model, supporting a network of local volunteer 'Changemakers' to host Big Education Conversations across the country, where diverse stakeholders are invited to discuss and proactively collaborate around how to better prepare young people for their futures in their communities. The model has been piloted in 7 places across England so far. In the next phase of launch and scale, they propose to maximise the collective value by building narrative, collating resources and facilitating national partnerships.

##### iii. The Difference (£75,000 of £100,000)

The Difference has been set up to meet a specific and compelling need within education – improving outcomes for those most vulnerable and excluded from mainstream education, whilst reducing exclusions from mainstream education overall. Big Change supported the initial establishment of The Difference in 2017, and, behind Founder Kiran Gill, the organisation is becoming an influential voice in this arena, front and centre of the national campaign around school exclusions. The funding will cover research, advocacy and innovation work which will run alongside the delivery of their pilot The Difference Leadership programme.

iv. EasyPeasy (£50,000 of £50,000) – through Character Counts

EasyPeasy have developed a compelling digital tool to support parental engagement in their child's learning, and have taken part in a number of significant research studies which have shown high impact and impressive outcomes. Over the 2018/19 school year their high-level strategic goal is to achieve a partnership with national scale that helps get their evidence-based home learning service out to thousands harder to reach families across the country. Big Change's funding of a Community Manager will help EasyPeasy to achieve their mission of giving all children the best start in life, regardless of their background.

**Grants to 2017 cohort made in 2018**

In 2017, Big Change pledged a total of **£1,082,646** to nine new projects over three years. Of this amount, **£333,209** was disbursed in 2017 and **£697,330** in 2018. The remaining **£52,107** is allocated for 2019. Some of the projects have shown great progress, while others are still wrapping up their delivery-phase with impact results forthcoming:

i. Teachers Thriving – 5 Projects – £285,445 disbursed in 2018 (total pot of £466,824):

Confident in our pioneering 2016 research, in 2017 we partnered with five trailblazing organisations who were rethinking support to ease the crisis facing teachers in the UK:

**How to Thrive**, now rebranded **Bounce Forward**, (£160,000 allocated overall; £54,500 disbursed in 2017; **£105,500 in 2018**; £0 remaining), seek to transform how resilience is considered, communicated and taught in the UK's schools for both young people and teachers. In 2018, Bounce Forward announced that they have reached 10,000 teachers and half a million young people to build their resilience, and have just released the results of a 5-year study showing that their Healthy Minds curriculum increases participants' satisfaction with their lives.

**The Difference** (£50,000 allocated overall; £30,000 disbursed in 2017; **£20,000 in 2018**; £0 remaining), is 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. They have increased the visibility of the issue of school exclusions, an issue that was all but invisible just two years ago, and have recruited its first ever cohort for its pioneering leadership program, receiving over 130 registrations of interest in the program. Finally, The Difference will host their first ever conference, IncludED, in January 2019, focusing on ways to shape education for the most vulnerable pupils.

**Achievement for All** (£62,824 allocated overall; £5,543 disbursed in 2017; **£53,149 in 2018**; £4,132 remaining), is wrapping up '*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. They've worked 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.



**Whole Education Ltd.** (£69,000 allocated overall; £25,000 disbursed in 2017; **£44,000 in 2018**; £0 remaining) have now completed their pilot project, which sought to increase teacher wellbeing in Multi Academy Trusts (MATs) through up-skilling MAT Human Resource leaders in best practice. The programme is now recruiting for its second cohort and is fully sustainable, with 100% of the costs covered through school-paid sponsorship for programme participation.

The **Institute for Teaching** (£125,000 allocated overall; **£62,796** disbursed in 2017; £62,204 pending for early 2019) merged with Ambition School Leadership to become **Ambition Institute** – an exciting new organisation offering programmes intended to strengthen teaching practice, build leadership capabilities in middle leaders, and grow systems thinking capabilities in school senior leaders. Prior to the merger, Institute for Teaching completed its first round of wellbeing training for teachers. Over the next five years, they'll be expanding their reach to a further 15,000 educators across 7,800 schools and trusts – helping them to give more children the best education.

II. Oracy – 3 Projects – £288,501 disbursed in 2018 (total pot of £450,000):

Unheard of five years ago, Oracy (essentially effective communication) wasn't part of the school curriculum, part of policy or even something that teachers or parents spoke of. Thanks to our project partners, it's now high on the agenda in Westminster and plays a vital role in the development of so many young people.

**Voice 21, through School 21 Foundation** (£150,000 allocated overall; £50,000 disbursed in 2017; **£100,000 in 2018**; £0 remaining) works with teachers, in partnership with schools and areas, offering professional development to build capacity in the system to teach students to learn through talking and by talking. They continued 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 350 schools and over 1,700 teachers and continue to influence thinking and debate at a national level.

**Voice Bradford**, or Bradford Birth to 19 SCITT, (£150,000 allocated overall; £40,000 disbursed in 2017; **£110,000 in 2018**; £0 remaining) seeks to empower tough-to-reach families to share experiences and spend time speaking with their kids through their early years parental engagement programme '*50 Things To Do Before You're Five*'. They've reached 6,000 families so far and in late 2018 received a £1m grant from the DfE to scale the programme in 13 additional locations.

**The Communications Trust**, or I CAN Charity, (£150,000 allocated overall; £23,915 disbursed in 2017; **£78,501 in 2018**; £47,584 remaining) 'Early Voices' programme works 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. Training delivered to their 1<sup>st</sup> cohort of 27 health visitors resulted in a 75% increase in knowledge and confidence in speech, language and communication development, with a second cohort underway.

#### III. Broadening Horizons – 1 Project:

**Headstart**, through the Challenge Network, (£165,822 allocated overall; £41,455 disbursed in 2017; **£123,384 in 2018**; £983 remaining) worked to bridge the gap for young people between education and employment by running a volunteering, work placement and work readiness programme in partnership with colleges across London. The pilot cohort of 170 young people from six colleges surpassed their targets for young people's work readiness at job interview stage, for employers willing to offer work placements, and for colleges willing to pay for the programme themselves. As a result, Headstart have partnered with the Association of Colleges, and produced toolkits and other resources to help colleges better prepare young people for work, which are set to reach 200,000 young people per year by 2020.

## 4. Financial Review

### Operating budget and grant making

We are grateful to Virgin Unite and Joe & the Juice for supporting Big Change operating expenditure in 2018. Their grants covered the majority of operating expenditure, which totalled £406,850 (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 £146,476 (2017: £113,011). 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 website design and hosting; and Kirkland & Ellis LLP, Cooleys LLP, and Arnold & Porter LLP for providing pro bono legal support via Thomson Reuters' *Trust Law* service.

During the year the cost of charitable activities was £1,534,147 (2017: £809,163). This includes direct grants to institutions of £879,080 (2017: £333,209) as highlighted in Section 3, Our Impact. For the 12-month period ending 31 December 2018, income exceeded costs by £871,373 (2017: income exceeded costs by £374,765). Total income from fundraising, including STRIVE, was £3,664,602 (2017: £1,541,131) which comprised mainly charitable donations of £2,107,251 (2017: £859,719). Consolidated unrestricted reserves increased during the period to £2,583,909 (2017: £1,712,536).

### 2018 Virgin STRIVE Challenge

In 2018, we ran our major fundraiser, the month-long Virgin STRIVE Challenge, that saw 202 Strivers take part in a 5-stage running, cycling, kayaking and hiking challenge through Sardinia, Corsica and mainland France. The 5<sup>th</sup> edition of the event took place from September 30<sup>th</sup> to October 1<sup>st</sup>, 2018, with participants starting with a duathlon in Sardinia and finishing atop Mont Blanc in the French Alps. The quality and calibre of the experience and participants was exceptional, surpassing all expectations. The event raised **£1,479,717** for Big Change projects. It also helped us to develop new relationships with influential community members and raise the profile of our mission to an unprecedented level. The direct costs of the STRIVE event in 2018 totalled **£998,370** (2017: £163,503), entirely offset by sponsorship and entry-fee revenue leaving a pre-tax operating profit of **£99,505**.

# Big Change Charitable Trust

## Trustees' annual report

### For the year ended 31 December 2018

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#### 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, 2018, 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.

BY the end of 2018, Big Change held **£2,583,909** in reserves which will cover:

- **£112,204** in designated project grants from previous grant-making years
- An estimated **£600,000** in projected 2019 operating costs
- An estimated **£1,000,000** in project grants as part of the 2019 cohort

## 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 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
<b>1.1 – Impact:</b> the 2019 project-finding process fails to attract sufficient standout projects and project partners, resulting in less future success and impact for BC.	<ul style="list-style-type: none"><li>• Working closely with partners/networks on outreach and pro-actively pursuing promising project leads</li><li>• Monitoring of 2019 RFP process for red flags on quality</li></ul>
<b>1.2 – Long-Term Fund Mobilisation:</b> increased multi-year funding of the Catalyst and Impact Circles needed to ensure growth and long-term sustainability	<ul style="list-style-type: none"><li>• Expansion and diversification of fundraising network</li><li>• Hiring of Development Director</li><li>• Opening up new fundraising markets to secure recurring revenue streams</li></ul>

## Big Change Charitable Trust

### Trustees' annual report

#### For the year ended 31 December 2018

<p><b>1.3 – Talent Retention:</b> the organisation's long-term sustainability is impacted by the departure of key members of the team.</p>	<ul style="list-style-type: none"><li>• Retention strategies put in place for key members of staff</li><li>• Succession planning added to quarterly business review (QBR)</li><li>• Institutionalisation of core activities to move away from relationship-based partnerships and fundraising</li></ul>
<p><b>1.4 – Network Fatigue:</b> risk of network and participant fatigue as Strive events become more regular, resulting in inability to attract critical mass of participants to events, impacting income and brand appeal/reach</p>	<ul style="list-style-type: none"><li>• Experiment with new Strive models</li><li>• Open up new participant networks</li><li>• Further link STRIVE to Big Change ethos so event participation not prerequisite for support</li></ul>
<p><b>1.5 – Reputational:</b> Big Change receives donations from a number of donors and there is a risk of receiving funds from inappropriate sources</p>	<ul style="list-style-type: none"><li>• Ensure that adequate due diligence is carried out on all potential big gift donors; and</li><li>• Maintain clear paper trails for all donations received</li></ul>
<p><b>1.6 – Charitable:</b> Big Change grants funds to a number of different organisations and there is a risk that money is spent inappropriately</p>	<ul style="list-style-type: none"><li>• Management team to keep in regular contact with grantees; and</li><li>• Ensure that grantees are reporting back to Big Change per grant agreements</li></ul>
<p><b>1.7 – Defining Impact:</b> Big Change struggles to measure impact at the projects, issue-area and system levels, reducing its ability to accurately measure effectiveness, and decreasing its attractiveness to supporters</p>	<ul style="list-style-type: none"><li>• Impact framework and measures in progress; key priority area for 2019.</li><li>• Working closely with partners to ensure data is being collected that can feed-in to overall impact measurement</li></ul>

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 2018 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
- 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.



## Big Change Charitable Trust

### Trustees' annual report

#### For the year ended 31 December 2018

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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 17 July 2019 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

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### 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 2018 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 2018 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.

## Independent auditor's report

To the members of

Big Change Charitable Trust

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### 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.

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.

## Independent auditor's report

To the members of

Big Change Charitable Trust

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### 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.

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

## Independent auditor's report

To the members of

### Big Change Charitable Trust

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charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.

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

22 July 2019

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

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

Big Change Charitable Trust

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

For the year ended 31 December 2018

	Note	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
<b>Income from:</b>							
Donations and legacies	2	2,135,427	393,300	2,528,727	1,241,685	118,737	1,360,422
Other trading activities	3	1,130,839	-	1,130,839	180,709	-	180,709
Investments		5,036	-	5,036	-	-	-
<b>Total income</b>		<b>3,271,302</b>	<b>393,300</b>	<b>3,664,602</b>	<b>1,422,394</b>	<b>118,737</b>	<b>1,541,131</b>
<b>Expenditure on:</b>							
Raising funds							
Cost of fundraising		245,995	-	245,995	227,862	-	227,862
Costs of trading		989,370	-	989,370	129,342	-	129,342
Charitable activities							
Impact		699,139	393,300	1,092,439	403,542	118,737	522,279
Community		264,051	-	264,051	183,676	-	183,676
Advocacy		177,657	-	177,657	103,207	-	103,207
<b>Total expenditure</b>	4a	<b>2,376,212</b>	<b>393,300</b>	<b>2,769,512</b>	<b>1,047,629</b>	<b>118,737</b>	<b>1,166,366</b>
<b>Net income before net (losses) on investments</b>		<b>895,090</b>	<b>-</b>	<b>895,090</b>	<b>374,765</b>	<b>-</b>	<b>374,765</b>
Net (losses) on investments		(23,717)	-	(23,717)	-	-	-
<b>Net income for the year</b>	9	<b>871,373</b>	<b>-</b>	<b>871,373</b>	<b>374,765</b>	<b>-</b>	<b>374,765</b>
Transfers between funds		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>871,373</b>	<b>-</b>	<b>871,373</b>	<b>374,765</b>	<b>-</b>	<b>374,765</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		1,712,536	-	1,712,536	1,337,771	-	1,337,771
<b>Total funds carried forward</b>		<b>2,583,909</b>	<b>-</b>	<b>2,583,909</b>	<b>1,712,536</b>	<b>-</b>	<b>1,712,536</b>

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 2018**

	Note	The group		The charity	
		2018	2017	2018	2017
		£	£	£	£
<b>Fixed assets:</b>					
Investments	12	677,327	-	677,328	1
		<u>677,327</u>	<u>-</u>	<u>677,328</u>	<u>1</u>
<b>Current assets:</b>					
Debtors	13	149,263	435,850	302,900	257,963
Cash at bank and in hand		1,940,360	1,620,144	1,753,564	1,501,559
		<u>2,089,623</u>	<u>2,055,994</u>	<u>2,056,464</u>	<u>1,759,522</u>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	14	183,041	343,458	149,884	46,987
		<u>1,906,582</u>	<u>1,712,536</u>	<u>1,906,580</u>	<u>1,712,535</u>
<b>Net current assets</b>					
		<u>1,906,582</u>	<u>1,712,536</u>	<u>1,906,580</u>	<u>1,712,535</u>
<b>Total net assets</b>	16a	<u>2,583,909</u>	<u>1,712,536</u>	<u>2,583,908</u>	<u>1,712,536</u>
<b>Funds:</b>	17a				
Restricted income funds		-	-	-	-
Unrestricted income funds:					
General funds		2,471,705	963,099	2,471,705	963,099
Designated funds		112,204	749,437	112,204	749,437
		<u>2,583,909</u>	<u>1,712,536</u>	<u>2,583,909</u>	<u>1,712,536</u>
<b>Total unrestricted funds</b>		<u>2,583,909</u>	<u>1,712,536</u>	<u>2,583,909</u>	<u>1,712,536</u>

Approved by the Trustees on 17 July 2019 and signed on their behalf by

P Nevin  
Chair of Trustees

I. A. McGregor  
Trustee

Big Change Charitable Trust

Consolidated statement of cash flows

For the year ended 31 December 2018

	Note	2018 £	2018 £	2017 £	2017 £
<b>Cash flows from operating activities</b>					
Net income for the reporting period (as per the statement of financial activities)		871,373		374,765	
Losses on investments	11	23,717		-	
Management fees from investments	11	3,992		-	
Dividends, interest and rent from investments	11	(5,036)		-	
(Increase)/decrease in debtors	13	286,587		(323,229)	
Increase/(decrease) in creditors	14	(160,417)		105,369	
<b>Net cash provided by / (used in) operating activities</b>			<b>1,020,216</b>		<b>156,905</b>
<b>Cash flows from investing activities:</b>					
Purchase of investments	11	(700,000)		-	
<b>Net cash provided by / (used in) investing activities</b>			<b>(700,000)</b>		<b>-</b>
<b>Change in cash and cash equivalents in the year</b>			<b>320,216</b>		<b>156,905</b>
Cash and cash equivalents at the beginning of the year			1,620,144		1,463,239
<b>Cash and cash equivalents at the end of the year</b>			<b>1,940,360</b>		<b>1,620,144</b>



**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.

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 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. 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.

**n) 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.

**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 2018

#### 2 Income from donations and legacies

	Unrestricted	Restricted	2018 Total	Unrestricted	Restricted	2017 Total
	£	£	£	£	£	£
Virgin Unite	275,000	-	<b>275,000</b>	387,692	-	387,692
Donated services	146,476	-	<b>146,476</b>	113,011	-	113,011
Charitable Donations	1,713,951	393,300	<b>2,107,251</b>	740,982	118,737	859,719
	<u>2,135,427</u>	<u>393,300</u>	<u><b>2,528,727</b></u>	<u>1,241,685</u>	<u>118,737</u>	<u>1,360,422</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) web design and support from eJigsaw Limited for the build of the strivechallenge.org website; (3,4) pro bono legal services provided by Cooley's LLP, Kirkland and Ellis LLP, and Arnold and Porter.

#### 3 Income from other trading activities

	2018 Total	2017 Total
	£	£
Sponsorship (events inc. STRIVE)	<b>385,000</b>	-
Entry Fees (events inc. STRIVE)	<b>745,839</b>	177,614
Other	-	3,095
	<u><b>1,130,839</b></u>	<u>180,709</u>

All income from other trading activities is unrestricted.

# Big Change Charitable Trust

## Notes to the financial statements

For the year ended 31 December 2018

### 4a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities			Governance costs £	Support costs £	2018 Total £	2017 Total £
		Impact £	Community £	Advocacy £				
Staff costs (Note 7)	33,025	69,223	125,061	38,666	50,326	86,107	<b>402,408</b>	303,843
Events – Cost of trading	989,370	-	-	-	-	-	<b>989,370</b>	129,342
Marketing	-	-	-	-	-	63,053	<b>63,053</b>	82,796
Research and Content	-	73,780	73,780	73,780	-	-	<b>221,339</b>	166,689
Office and Premises costs	-	-	-	-	-	100,000	<b>100,000</b>	50,000
General Expenses	-	-	-	-	-	55,209	<b>55,209</b>	57,847
Investment Management Fees	3,992	-	-	-	-	-	<b>3,992</b>	-
Legal and Professional	10,289	5,145	-	-	1,715	34,476	<b>51,625</b>	41,938
Grants awarded (note 5)	-	879,080	-	-	-	-	<b>879,080</b>	333,209
Tax payable by subsidiaries	3,055	-	-	-	-	-	<b>3,055</b>	-
Trustee Insurance	-	-	-	-	381	-	<b>381</b>	702
	<b>1,039,731</b>	<b>1,027,228</b>	<b>198,840</b>	<b>112,446</b>	<b>52,422</b>	<b>338,845</b>	<b>2,769,512</b>	<b>1,166,366</b>
Support costs	169,423	56,474	56,474	56,474	-	(338,845)	-	-
Governance costs	26,211	8,737	8,737	8,737	(52,422)	-	-	-
<b>Total expenditure 2018</b>	<b>1,235,365</b>	<b>1,092,439</b>	<b>264,051</b>	<b>177,657</b>	<b>-</b>	<b>-</b>	<b>2,769,512</b>	
Total expenditure 2017	357,204	522,279	183,676	103,207	-	-		<b>1,166,366</b>

## Big Change Charitable Trust

### Notes to the financial statements

For the year ended 31 December 2018

#### 4b Analysis of expenditure (prior year)

	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	-	<b>303,843</b>	280,224
Events – Cost of trading	129,342	-	-	-	-	-	<b>129,342</b>	994,779
Marketing	15,260	-	34,961	-	-	32,575	<b>82,796</b>	199,902
Research and Content	-	54,284	53,764	38,641	-	20,000	<b>166,689</b>	104,030
Office and Premises costs	-	-	-	-	-	50,000	<b>50,000</b>	46,000
General Expenses	-	-	-	-	-	57,847	<b>57,847</b>	45,310
Legal and Professional	18,901	9,451	-	-	3,150	10,436	<b>41,938</b>	37,798
Grants awarded (note 5)	-	333,209	-	-	-	-	<b>333,209</b>	184,000
Trustee Insurance	-	-	-	-	702	-	<b>702</b>	1,916
	<b>254,656</b>	<b>488,097</b>	<b>149,494</b>	<b>69,025</b>	<b>34,236</b>	<b>170,858</b>	<b>1,166,366</b>	<b>1,893,959</b>
Support costs	85,430	28,476	28,476	28,476	-	(170,858)	-	-
Governance costs	17,118	5,706	5,706	5,706	(34,236)	-	-	-
<b>Total expenditure 2017</b>	<b>357,204</b>	<b>522,279</b>	<b>183,676</b>	<b>103,207</b>	<b>-</b>	<b>-</b>	<b>1,166,366</b>	
Total expenditure 2017	1,310,798	369,450	122,347	91,364	-	-		<b>1,893,959</b>

## Big Change Charitable Trust

### Notes to the financial statements

#### For the year ended 31 December 2018

##### 5a Grant making (current year)

	2018 £	2017 £
Voice 21 via School 21 Foundation	100,000	50,000
Bounce Forward (previously How to Thrive)	105,500	54,500
Headstart via The Challenge Network	123,384	41,455
Whole Education	44,000	25,000
Institute for teaching via ARK Schools – Tranche 1	–	62,796
Institute for teaching via Ambition Institute – Tranche 2	62,796	–
The Difference	95,000	30,000
Bradford Birth to 19 SCITT	110,000	40,000
The Communication Trust via I Can Charity	78,501	23,915
Achievement for All	53,149	5,543
EasyPeasy via Character Counts	50,000	–
Oracy Network via School 21 Foundation	21,750	–
Big Education Conversation via Whole Education	35,000	–
Total	<b>879,080</b>	<b>333,209</b>

All grants were awarded to institutions in both years.

	2018 £	2017 £
Reconciliation of movements in grant creditors		
Brought forward grant creditor	23,915	134,000
Add: Grants awarded in the year	879,080	333,209
Less: Grants paid in the year	(775,199)	(443,294)
Carried forward grant creditor (note 14)	<b>127,796</b>	<b>23,915</b>

##### 6 Net incoming resources for the year

This is stated after charging:

	2018 £	2017 £
Trustees' indemnity insurance	381	702
Auditor's remuneration (excluding VAT):		
Audit	6,700	6,500
Audit – under accrual from prior year	–	590

## Big Change Charitable Trust

### Notes to the financial statements

#### For the year ended 31 December 2018

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

Staff costs were as follows:

	2018 £	2017 £
Salaries and wages	349,950	271,110
Social security costs	38,263	26,838
Pension contributions	14,195	5,895
	<b>402,408</b>	<b>303,843</b>

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

	2018 No.	2017 No.
£60,000 – £69,999	1	–
£70,000 – £79,999	1	1
£80,000 – £89,999	1	–

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £96,148 (2017: £84,458).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2017: £nil). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £339 (2017: £1,040) incurred by 2 (2017: 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:

	2018 No.	2017 No.
Raising funds	2.0	2.0
Advocacy	1.0	0.5
Research	1.0	0.5
Governance and Support	1.0	1.0
Grant Making	1.0	1.0
	<b>6.0</b>	<b>5.0</b>



**9 Related party transactions**

During the year legal fees of £nil (Trading) and £nil (Trust) (2017: £17,297) were paid to Harbottle and Lewis LLP (Total: £nil) 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 £100,000 (2017: £50,000). During the year Benjamin Hay, Holly Branson, and Sam Branson were trustees of Big change and employed by Virgin Management Limited. As at 31 December 2018, Sam is no longer a trustee and Benjamin is no longer employed by Virgin Management Limited.

Virgin Management Limited is a subsidiary of Virgin Group Holdings Limited (the ultimate parent company of the Virgin Group). During the year ended 31 December 2017, accommodation fees for Big Change team members of £43,204 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 relationship. There were no equivalent transactions in 2018.

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 and the balance was paid in 2018. Virgin Enterprises Limited is a 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 £275,000 (2017: £222,037) to cover the core costs of the charity. Holly Branson is a trustee of Big Change and is Chairperson of Virgin Unite.

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

# Big Change Charitable Trust

## Notes to the financial statements

For the year ended 31 December 2018

### 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:

	2018 £
Profit on ordinary activities before taxation	99,505
UK corporation tax at 19%	18,906
<b>Effects of:</b>	
Adjustments in respect to prior year	1,104
Income not taxable	(18,326)
Expenses not deductible	1,370
<b>Total current tax</b>	<b>3,055</b>
Deferred taxation: origination and reversal of timing differences	-
Deferred taxation: changes in tax rates	-
<b>Tax on results on ordinary activities</b>	<b>3,055</b>

### 11 Listed investments

	The group		The charity	
	2018	2017	2018	2017
	£	£	£	£
Fair value at the start of the year	-	-	1	1
Additions at cost	674,840	-	674,840	-
Disposal proceeds	(24,757)	-	(24,757)	-
Net gain / (loss) on change in fair value	(23,717)	-	(23,717)	-
	<b>626,366</b>	-	<b>626,367</b>	1
Cash held by investment broker pending reinvestment	50,961	-	50,961	-
Fair value at the end of the year	<b>677,327</b>	-	<b>677,328</b>	1

Investments comprise:

	The group		The charity	
	2018	2017	2018	2017
	£	£	£	£
Unlisted shares in UK registered companies	-	-	1	-
Cash	50,961	-	50,961	-
Other investments	626,366	-	626,366	-
	<b>677,327</b>	-	<b>677,328</b>	-

## Big Change Charitable Trust

### Notes to the financial statements

#### For the year ended 31 December 2018

#### 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. Trustee I. A. McGregor is also a director of the company. A summary of the results of the subsidiary is shown below:

	2018 £	2017 £
Turnover	1,130,839	180,709
Cost of sales	(1,031,334)	(155,360)
Profit on ordinary activities before taxation	99,505	25,349
Taxation	(3,055)	-
Profit for the financial year	96,450	25,349
<b>Retained earnings</b>		
Retained earnings brought forward	-	-
Profit for the financial year	96,450	25,349
Distribution under gift aid to parent undertaking	(96,450)	(25,349)
Retained earnings carried forward	-	-
The aggregate of the assets, liabilities and funds was:		
Assets	193,464	373,618
Liabilities	(193,463)	(373,617)
Capital and retained earnings	1	1

#### Parent charity

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

	2018 £	2017 £
Gross income	2,656,613	1,385,771
Result for the year	927,512	194,116

#### 13 Debtors

	The group		The charity	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	36,614	237,000	36,614	-
Prepayments and Other debtors	63,425	18,195	56,757	162
Accrued income	49,224	180,655	49,224	180,655
Amounts owed by Subsidiary	-	-	160,305	77,146
	149,263	435,850	302,900	257,963

Big Change Charitable Trust

Notes to the financial statements

For the year ended 31 December 2018

14 Creditors: amounts falling due within one year

	The group		The charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	54,062	16,020	52,221	15,822
Grant Creditors	87,796	23,915	87,796	23,915
Accruals	39,232	7,250	9,867	7,250
Deferred income (note 15)	-	296,273	-	-
Corporation tax payable	1,951	-	-	-
	<b>183,041</b>	<b>343,458</b>	<b>149,884</b>	<b>46,987</b>

15 Deferred income

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

	The group		The charity	
	2018	2017	2018	2017
	£	£	£	£
Balance at the beginning of the year	296,273	-	-	-
Amount released to income in the year	(296,273)	-	-	-
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
	£	£	£	£
Fixed asset investments	677,327	-	-	677,327
Net current assets	1,794,378	112,204	-	1,906,582
Net assets at 31 December 2018	<b>2,471,705</b>	<b>112,204</b>	<b>-</b>	<b>2,583,909</b>

16b Analysis of group net assets between funds (prior 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	<b>963,099</b>	<b>749,437</b>	<b>-</b>	<b>1,712,536</b>

## Big Change Charitable Trust

### Notes to the financial statements

#### For the year ended 31 December 2018

##### 17a Movements in funds (current 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
<b>Total funds</b>	<b>1,712,536</b>	<b>3,664,602</b>	<b>(2,793,229)</b>	<b>-</b>	<b>2,583,909</b>

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

##### 17b Movements in funds (prior 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
<b>Total funds</b>	<b>1,337,771</b>	<b>1,541,131</b>	<b>(1,166,366)</b>	<b>-</b>	<b>1,712,536</b>

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 and 2018. In 2018, restricted donations were received by the Trust in the amount of £343,300 in support of specific costs incurred in Big Change's Reimagining Education work.

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

##### 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.