



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

**Annual report and consolidated financial statements  
for the year ended 31 March 2020**

Charity Registration Number

1115476

Company Registration Number (England and Wales)

5836950

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

### Contents

Reference and administrative details	2
Report of the Board of Trustees	3
Independent Auditor's report	26
Statement of Financial Activities	30
Balance sheets	31
Consolidated statement of cash flows	32
Notes to the accounts	33



**The Barrow Cadbury Trust (a company limited by guarantee)  
Trustees' report for the year ended 31 March 2020**

The trustees present their statutory report together with the accounts of the Barrow Cadbury Trust (the Trust) for the year ended 31 March 2020. The accounts consolidate the financial statements of the Trust and its subsidiary undertaking, the Barrow Cadbury Fund Limited (the Fund). Comparatives are for the year ended 31 March 2019.

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

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

### **Structure**

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

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

### **Trustees**

#### **Appointment of trustees**

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

#### **Chief Executive**

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

#### **Governance**

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

**The Barrow Cadbury Trust (a company limited by guarantee)  
Trustees' report for the year ended 31 March 2020**

**Centenary year 1920-2020**

2020 is the centenary year of the establishment of the Trust. Our plans to celebrate this have been impacted by Covid-19 but include:

- Commissioning a refreshed animation about the work of the Trust (completed).
- Posting monthly blogs on contemporary issues with links to the Trust's work over time.
- Convening partners on each of our programmes for learning exchanges (on hold).
- An event on 'models of change' for our social and statutory sector partners in Birmingham (on hold).
- A day long conference at the British Library on 'How Change Happens' with notable key note speakers (on hold).

As a Quaker heritage foundation our approach to celebrations is to 'party with a purpose' and we fully intend to hold these events when it is safe to do so.

**The Impact on the Trust of Covid-19**

During the closing weeks of the financial year the Trust took a number of measures regarding Covid-19. We issued guidance to staff in line with Government health advice at the time and ensured all staff had the equipment and the access to work remotely if required. By March 19<sup>th</sup> all staff were working full time from home. At the time of signing the report this is still the case.

We wrote to all our grant holders and social investees assuring them of our willingness to be flexible regarding their timetables for work in hand and activities, payments (grants) and repayments (social investments). We have repurposed some grants, rescheduled others and made other variations as needed. We introduced a Covid-19 page on our website which has been frequently updated ever since. In February we undertook simple stress testing of all our portfolios and identified organisations we considered vulnerable. We made several emergency grants. We do not fund a great deal of direct service delivery and hence the demand for this was not high. We also updated our risk register to include the major risks posed to the charity by the pandemic (and keep this under review).

As an endowed foundation we have experienced the volatility of the markets. Any losses do not pose an existential threat but will very probably impact our income. Our response to this matter is covered in the financial review.

Since staff have been working from home we have:

- contacted and kept in touch with grantees and social investees, being flexible and helpful as outlined above. Of particular note that a number of social investees are struggling and we have introduced forbearance and helped with business planning
- had a team meeting every work day and maintained regular updates on our work and well being
- held several virtual board meetings, including an Investment Management Committee
- agreed an investment of £500k in the Resilience and Recovery Loan Fund
- made two members of staff available (P/T) to the National Emergencies Trust
- participated in steering a national portal for grant applications (in progress with the Association of Charitable Foundations)

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Trustees' report for the year ended 31 March 2020**

- offered to disperse £5M of DCMS funding to the refugee and migration sector (decision pending)
- worked with regulators (FCA, Ofgem, CMA) on protection for vulnerable people living in poverty by means of inclusive design
- reassessed and redrawn the priorities of the Connect Fund with the Access Foundation to better reflect the needs of social investment market in the Covid-19 context
- worked with our partners in a variety of networks and with our trade association (ACF).

We anticipate the following impact, in so far as it can be predicted, on our approach and activities for 2020-21 we will:

- have regular board meetings and weekly written board updates
- make new grants, renewal grants and social investments as appropriate
- work from home while Government guidance asks those who can to do so
- continue to support our funded partners and social investees with business help and sign posting in order to protect their charitable activities as best they can
- work with our partners to help them to recover from negative impacts of the pandemic
- continue to work in collaboration with other foundations to improve our collective impact in the recovery phase
- continue to deploy our workforce to assist with the collective efforts of the funding community
- return to in-office working in a planned and careful way
- review and report on the impact of the pandemic on our work and working practices.

The Board has a Strategic Framework in place for 2016-21. The Board decided to continue to spend capital as well as income at broadly the same level as now over this period, in order to prioritise the continued impact of our work. During the year the Board considered the issue of spending capital for the longer term and decided that, by the end of the next strategic period (2021-26), the Trust should no longer be depleting the capital endowment. Further information on this decision can be found on our website.

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

**In 2020-21 we will:**

- Undertake a full strategic view of the Trust's work and put in place a strategic framework for 2021-26.
- Bring at least one additional member on to the Board.

**Remuneration of senior staff**

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

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Trustees' report for the year ended 31 March 2020**

## **Risk management**

At least once a year, the trustees review the major risks facing the Trust and Fund and ensure that any necessary mitigating actions are put in place. One named trustee has lead responsibility for oversight of the risk register (currently Steven Skakel). The trustees are satisfied that appropriate measures and effective systems are in place to mitigate those risks. A comprehensive risk analysis was undertaken during the year and an updated full risk strategy reviewed by trustees in April 2020. Each quarter the Board monitors the identified 'headline' risks. In March 2020 additional risks were identified in relation to Covid-19 and were added to the register. The highest scoring risk is:

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

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

**In 2020-21 we will:** Remain vigilant with regard to changes in the external environment which may affect our risk appetite or exposure, with particular reference to Covid-19.

## **Strategic and operational planning**

Having developed the Trust's Strategic Framework for 2016-21, in 2019-20 we implemented and now report on the fourth year's Operational Plan. A revised Operational Plan is now in place for 2020-21.

During the year we renegotiated our grant agreement with the Access Foundation for the next phase of the Connect Fund.

**In 2020-21 we will:** Implement the fifth year of the revised Strategic Framework for 2016-21.

## **Public benefit**

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

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

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

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

## **Fundraising**

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

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

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

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

**Values:**

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

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

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

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

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

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

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

### **Cross Cutting Themes:**

- Strengthening civil society.

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Trustees' report for the year ended 31 March 2020**

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

## **Our Model**

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

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

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

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

### **Strategic Objectives:**

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

#### **Strategic Objective 1**

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

#### **Strategic Objective 2**

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

#### **Strategic Objective 3**

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

**The Barrow Cadbury Trust (a company limited by guarantee)  
Trustees' report for the year ended 31 March 2020**

**Strategic Objective 4**

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

**Strategic Objective 5**

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

**The Past Year:**

**Operational Objectives 2019-20:**

The Operational Plan for 2019-20 identified 33 operational objectives for the year across the five Strategic Objectives, against which progress is closely monitored and reported to the Board.

**Activities**

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

**New programme approvals in 2019-20**

The following table includes the total value of programme approvals in 2019-20 for each of the three main programme areas and the two other associated funding streams. These included restricted funds, in particular for the Connect Fund and Fair By Design Campaign, and part of Cross-Cutting as noted. Further details of restricted funding are included in note 19 of the accounts.

	£ '000
Criminal Justice <i>(includes £73,000 of restricted funds)</i>	1,109
Migration	1,034
Economic Justice	806
Cross cutting & Promoting Philanthropy <i>(includes £64,000 of restricted funds)</i>	422
Connect Fund	483
Fair By Design Campaign	12
Social investment impairments	61
TOTAL	3,927

## **Key achievements 2019-20:**

### **Strategic Objective 1 – Criminal Justice**

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

#### **Principal Achievements:**

- Significant policy and influencing opportunities:
  - Her Majesty's Prisons and Probation Service (HMPPS) identified a senior executive level lead for young adults, Alan Scott. This is the first time that an executive director has had responsibility for young adults as a group.
  - A national conference was convened by HMPPS in July to bring together the governors and senior managers in the prison system to discuss brain development, maturity and appropriate regimes for young adults.
  - The maturity screening tool and resource pack, which is largely drawn from the T2A evidence base, is now in operation. Three prison sites are using the tool and providing interventions based on the resource pack.
  - Young adults have been included as a cohort specific group in the Probation Reform procurement documents.
  - The grant awarded by the Trust to embed the T2A evidence base into probation services has been welcomed by senior staff in HMPPS.
  
- Significant projects came to fruition:
  - HMPPS are responding to the Justice Select Committee's reports on young adults by producing policy, practice guidance and governance to support the position that 'young adults are a distinct group with a distinct set of needs'.
  - The Centre for Justice Innovation has mapped diversion services across the country and is currently convening police officers to share good practice.
  
- Significant approaches:
  - Continuing strategic input to Equal (previously the Young Review) working to implement the Lammy recommendations on BAME disproportionality.
  - The Trust's support for women's centres and senior leaders in this sector has produced a strong and cohesive group.
  - The Trust continues to support groups articulating Muslims' experiences of the justice system.
  - The Trust continues to support the infrastructure of the sector, specifically Clinks' policy and leadership capabilities.
  - The Trust's relationship with Leaders Unlocked continues to develop. Its project supporting young adult criminal justice advisers is well regarded.

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Trustees' report for the year ended 31 March 2020**

- The Trust is supporting the work of the Innovation Unit, which is undertaking co-design work to consolidate the plethora of support plans for care experienced people leaving custody.
- Significant publications:
  - UNLOCK: 'Double Discrimination. The impact of criminal records on people from BAME backgrounds'
  - 'Time to end the silence – the experience of Muslims in the prison system'
  - 'Loss and bereavement – key messages and a guide for professionals'

**Strategic Objective 2 – Migration**

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

**Principal Achievements:**

- Significant policy and influencing opportunities:
  - The Migration Observatory at Oxford University continues to play a central role in debates about migration and integration, with an impressive media exposure, particularly with the 'red tops'.
  - A priority this year has been the compulsory settled status scheme for non-UK EU citizens who plan to reside in the UK after Brexit.<sup>1</sup>
  - The Trust is an active member of the Transition Advice Fund (TAF), a pooled fund focused on this issue that has funded a range of important research and advocacy.
  - Significant work has included the organisation 3 Million getting the registration fee waived.
- Significant projects came to fruition:
  - The Joint Council for the Welfare of Immigrants (JCWI) has also had a very successful year, including its High Court victory against the Government policy requiring landlords to check the immigration status of prospective tenants.
  - The British Red Cross has made a lot of progress in achieving cross-party support and making a stronger case for reforming the existing rules for both refugees and migrants.
- Significant publications:
  - Women for Refugee Women: 'Will I ever be safe? Asylum-seeking women made destitute in the UK'
  - Migration Observatory: 'Migration to the UK: Asylum and resettled refugees'
  - Bright Blue: 'Distant neighbours – understanding and measuring social integration in England'

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<sup>1</sup> With the exception of Irish citizens, all citizens of European Union, European Economic Area countries and Switzerland and their family members are required to apply, even if they have a status called 'permanent residence' or were born in the UK but do not have British citizenship. The deadline is June 2021, or December 2020 if the UK leaves without a deal.

**The Barrow Cadbury Trust (a company limited by guarantee)  
Trustees' report for the year ended 31 March 2020**

**Strategic Objective 3 – Economic Justice**

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

**Principal Achievements:**

- Significant policy and influencing opportunities:
  - Energy and appetite for community wealth building activities within Birmingham and the wider combined authority has continued to grow.
  - The Birmingham Poverty Truth Commission (BPTC) remains active in the city and has proved very influential with the City Council.
  
- Significant projects came to fruition:
  - Success was experienced by the End the Debt Trap Coalition when the Financial Conduct Authority (FCA) introduced a price cap of 100% on the credit that consumers can be charged on rent to own purchases.
  - Community wealth building has been incorporated into the Liverpool City Region Local Industrial Strategy and a mandated national programme of community wealth building is being rolled-out across all local authorities in Wales. CLES has been instrumental in both of these.
  - CLES's Centre for Excellence was launched in June.
  - The New Local Government Network's (NLGN) action learning research to capture case studies of inclusive growth from its local authority membership has progressed well.
  - Ongoing engagement with the WMCA's Inclusive Growth Unit has resulted in the production of tools and resources through which to measure inclusive growth within contracts.
  
- Significant publications:
  - End the Debt trap campaign: Briefing on 'Regulating the credit card market: Why we need a cap on costs'
  - CHASM at University of Birmingham: 'Financial Inclusion annual monitoring briefing 2019'
  - Positive Money: 'Money we trust: Designing Cash's Digital Counterpart'.

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

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

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

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

- We have been:
  - Working with others on 'Inclusive Design' to inform regulators.

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Trustees' report for the year ended 31 March 2020**

- Building the evidence base for the poverty premium.
  - Engaging closely with the APPG on the Poverty Premium.
  - Embedding lived experience in the work through two cohorts of ambassadors.
  - Working with regulators (Financial Conduct Authority, Competition and Markets Authority, Ofgem).
  - Inputting into the Financial Inclusion Commission.
- Significant publications:
    - Fair By Design & National Energy Action (NEA) - 'Keeping Britain Warm and Well'
    - APPG on Poverty - report on inquiry into the poverty premium
    - The Young Foundation - 'Nothing About Us, Without Us'

**Cross-Cutting Themes and Promoting Philanthropy**

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

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

- In line with our commitment to 'strengthening the hands of the change makers' we contributed to a pooled fund for the Coalition For Race Equality organisations.
- In line with our commitment to racial justice we worked with other funders for race equality and contributed to a secretariat function for the Funders for Race Equality Alliance.
- In line with our commitment to strengthening civil society we contributed to NPC's 'State of the Sector Report'.

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

- Tonic Living CIC was supported to further explore the first LGBT+ affirming retirement community in the UK.
- Core support was given to Global Dialogue and the European Foundation Centre.

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

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

**Principal Achievements:**

- The investment portfolio, valued at £77.7 million at 31 March 2020, is managed by Sarasin and Partners whose performance is monitored through quarterly reports and regular meetings with the Investment Manager.
- Sarasin & Partners screen investments for negative exclusions and vote on behalf of the Trust and Fund on environmental, social and governance issues.
- The Trust is a founder member of the Charities Responsible Investment Network (which is facilitated by ShareAction) and is a member of the Church Investors Group. Through these vehicles we are increasing our shareholder activism and are also working with Sarasin & Partners to engage with companies relating to climate change. Our portfolio is aligned with

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Trustees' report for the year ended 31 March 2020**

Sarasin & Partners' Climate Active Fund which has resulted in divesting from several fossil fuel companies and actively engaging with others.

- The Trust has its main bank accounts in Triodos Bank, a bank with high ethical ranking.
- The Trust agreed one new social investment in 2019-20, a £250,000 investment in the Resonance Sheltered Housing Fund. This had not yet been invested at the year end.
- The actual amounts invested during the year were:

	£
Social Venture Fund II	13,274
Five Lamps Trading	15,625
Fair By Design Venture Fund Limited Liability Partnership	49,413
Social & Sustainable Capital Housing Fund	84,168
Singlify	50,000

- Staff and trustees of the Trust are involved on the Boards of five of the existing social investments (see note 27 of the accounts) and play an active role in social investment development, including:
  - Regular attendance at the Social Impact Investors Group, hosting meetings and participation on its steering group.
  - Speaking at ACF events on social investment.
  - Meetings with other Trusts and Foundations to discuss social investment.
  - Running the Connect Fund.
  - Membership of the advisory groups of Big Society Capital and the Impact Investing Institute.

**In-kind and convening support:**

- British Future occupied five desks in our offices in 2019-2020 free of charge. The work of the organisation is closely aligned with our own and the Trust played a key role in creating it. The estimated share of rent and other costs is £69,183.
- The Trust's meeting rooms were used by a variety of our partners and other sector colleagues throughout the year, again without charge, creating more 'mission value' from our central London venue. The meeting rooms were used by external organisations for an average of 78 hours per month. The estimated share of rent and other costs is £15,361.
- The Trust uses its convening power to bring together organisations and people for briefings, roundtables, learning events, cultural exchange and the spread of new practice. Examples in the year include a) a day conference on Muslims in the Criminal Justice system which was well attended by Muslim led and mainstream organisations, prison Imams, the MOJ and was addressed by the Prison's Minister.
- The Trust's staff and trustees see the intellectual capital of the Trust as a resource for pursuing our mission. We therefore accept a large number of invitations to speak at or chair events in our areas of expertise. During the year these have included: social investment, ethical investment, governance, migration and refugee issues, equalities issues, strategic and family philanthropy, third sector research, criminal justice, implications of the referendum on membership of the E.U. both in the UK and in Brussels, impact measurement and VCS infrastructure. Senior staff also serve on a significant number of Boards and working groups relevant to our mission.

**The Barrow Cadbury Trust (a company limited by guarantee)  
Trustees' report for the year ended 31 March 2020**

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

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

**Principal Achievements:**

- Provided trustees with various opportunities to represent the Trust at events of funded partners.
- Annual legal health check undertaken and relevant actions taken.
- Several trustees took up training opportunities, particularly in investment management.
- Spent reflective time out of the office on Away Days and Executive Team sessions.
- Timely management accounts and quarterly reports to Board and IMC.
- All staff and trustees were appraised during the year. Staff each have clear objectives in their work plans and learning plans.
- Focussed more attention at board level on the cumulative impact of our work rather than our activities.
- Ensured information on the three main websites – Barrow Cadbury Trust, T2A and Connect Fund – is up to date.
- Calculated and published our gender and BAME pay gaps.
- Prepared the ground for bringing in a non-family trustee on to the board in 2020.

**Salaries – Gender and BAME comparisons  
As at 31 March 2020**

**Gender**

	All	Female	Male
Number	17	11	6
Mean salary	£55,461	£55,022	£56,301
Median salary	£50,166	£48,494	£51,433
Gender pay gap (mean)			2.3%
Gender pay gap (median)			5.7%

	Female	Male
Upper quartile	50%	50%
Upper middle quartile	60%	40%
Lower middle quartile	75%	25%
Lower quartile	75%	25%

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Trustees' report for the year ended 31 March 2020**

**BAME**

	All	BAME	Non-BAME
Number	17	11	6
Mean salary	£55,461	£48,370	£60,424
Median salary	£50,166	£50,166	£52,877
BAME pay gap (mean)			20.0%
BAME pay gap (median)			5.1%

	BAME	Non-BAME
Upper quartile	0%	100%
Upper middle quartile	80%	20%
Lower middle quartile	25%	75%
Lower quartile	50%	50%

As at March 31<sup>st</sup> 2020 our gender and BAME pay gaps were as above. In an organisation as small as ours (17 staff) any churn in staffing can have a marked impact on results. We calculate by mean (average) and median (the middle salary if all are lined up in a row). These can differ markedly due to the distribution of seniority.

**Gender** – the staffing complement is 11 women and 6 men. Our pay gap at the year end was 2.3% (mean) and 5.7% median. This means on average men were paid more than women by 2.3% (mean) and 5.7% (median). In a staff team of this size, we consider this difference marginal.

**BAME** – We ask staff to self-define. The staffing complement is 7 BAME and 10 non-BAME. Our pay gap at the end of the year end was 20.0% (mean) and 5.1% median. This means on average BAME staff were paid 20% less (mean) and 5.1% less (median). This is because we have fewer BAME staff on the lower salary scales, but also fewer on the highest.

Clearly a gap of 20.0% is more than marginal and our progression pay scales will improve this at least over the next several years (assuming a static staff complement). However, we are encouraged by the 'direction of travel' insofar as the BAME 'pipeline' of middle managers will hopefully hold more senior roles in the sector in years to come.

**Learning and development**

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

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Trustees' report for the year ended 31 March 2020**

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

**Internal:**

- Trustee group visits to the Thrive Together which hosted the Birmingham Poverty Truth Commission in April 2019, Toynbee Hall in July 2019 and We Belong in January 2020.
- Most trustees also represented the Trust at other events through the year, each of which offered a learning opportunity.
- Kept trustees abreast of the work of the Trust between Board meetings through weekly email updates and early view of all publications in which the Trust is involved on the eve of publication.
- Kept trustees informed of governance and other key sector issues through circulation of relevant publications and information.
- Ensured individual learning plans were in place for all staff.
- Gave opportunities to 'back office' staff to visit funded projects, attend programme related events and meet counterparts in other trusts.

**External:**

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

**Financial review**

The income for the group was £3,954,000 (2019 - £4,208,000). Total resources expended were £6,002,000 (2019 - £7,503,000) resulting in net outgoing resources, before gains and losses on investments, of £2,048,000 (2019 - £3,295,000).

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

There were investment losses of £2,849,000 (2019 – gains of £4,122,000), resulting in a net decrease in funds of £4,897,000 (2019 – increase of £827,000). This was in keeping with market performance and our investment managers performed broadly in line with the benchmark set for them.

The total spend for the group on social justice and grant-making during the period was £5,635,000 (2019 - £7,131,000).

As the group's funds are held as expendable endowment, the trustees do not operate a reserves policy, but manage the balance between short and long term financial objectives through their grant making and investment policies. Designated funds represent funds committed to social

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Trustees' report for the year ended 31 March 2020**

investments and amounts set aside for particular activities (see note 18). There are some restricted funds which we have received from other organisations for specific pieces of work.

**Investment policy and performance**

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

During 2019-20, Sarasin & Partners achieved a total return (i.e. both investment income and capital growth/loss) of negative 1.6% on the investment portfolio. Despite a strong performance in the calendar year 2019 there were severe losses in the first quarter of 2020 due to the impact of Covid-19 on investment markets around the world. Following the year end there was some recovery in the investment markets, but the Trust remains cautious. It held £6 million in cash deposits at the year end, equivalent to more than two years expenditure out of capital, and will use this money, or add to it, as the situation dictates.

In order to ameliorate the risk of currency fluctuations there are forward currency transactions so that the total exposure to foreign currency is about 40% of the total value of the investment portfolio.

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

The three objectives are:

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

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

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

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Trustees' report for the year ended 31 March 2020**

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

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

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

**Social Investment**

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

We committed £250,000 to one new investment during 2019-20 with the aim of building a varied portfolio which will both further our programme aims and develop the social investment market. In each case, systems are in place for capturing social impact.

Current investments are as follows:

Programme related investment	Current investment commitment £	Actual investment (at cost) at 31 March 2020 £
Social Justice & Human Rights Centre Ltd	500,000	500,000
Ethex	40,000	40,000
Bristol Together	145,000	145,000
Big Issue Invest Social Enterprise Investment Fund	75,392	75,392
Social Venture Fund	250,000	228,210
Fair For You	250,000	250,000
Charity Bank	250,000	250,000
Street UK	67,227	67,227
Community Channel	50,000	50,000
Thrive Renewables	100,000	100,000
Ashley Community Housing	200,000	200,000
Fair By Design Venture Fund	250,000	117,782
Five Lamps Trading	250,000	250,000
Social and Sustainable Housing Fund	250,000	84,168
Micro Rainbow	250,000	-
EdAid Foundation	50,000	-
Resonance Sheltered Housing Fund	250,000	

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Trustees' report for the year ended 31 March 2020**

Total	3,227,619	2,357,779
Less: Provisions for impairments		(169,500)
Balance per accounts		2,188,279

## **The Connect Fund**

The Trust runs the Connect Fund with resources from the Access Foundation. This is a £6 million fund for grants and possibly social investment to build better infrastructure for the social investment landscape in England, particularly for new entrants and markets. The Board delegates the grant making of the fund to the Investment Management Committee.

This year was the third of a three year agreement. During the year the first two cohorts of funded organisations (social investment infrastructure; local infrastructure) were evaluated by NPC and the funded organisations continued to be supported by our team and to participate in the ongoing 'learning community'.

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

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

Key achievements in the year:

- External funders have provided over £500,000 in additional funding to carry forward and continue to resource projects that the CF initially supported.
- Across multiple issues, the CF has provided the first risk finance to intermediaries and infrastructure organisations working jointly to solve challenges.
- The CF Interim learning report (New Philanthropy Capital) highlights the effectiveness of the programme to promote collaboration, champion impact and convene new voices.
- The CF continues to champion equality and diversity, and strengthen equalities infrastructure organisations, by working with Access as part of its Enterprise Development Programme (EDP).
- The CF has held numerous learning events which have been very positive and well-received.

## **Plans for future periods**

The coming year will see the implementation of the final year of the Strategic Framework 2016-21. An Operational Plan for the year 2020-21 is in place, the outline objectives of which are shown below against the Trust's five Strategic Objectives.

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

**In 2020-21 we will:**

- Working with Muslim groups, including convening a small national conference.
- Continue to embed practice change at all stages of the T2A pathway. The Alliance will continue to generate and collect evidence to press for change. It will package new and existing evidence for a practitioner audience. It will, as part of the Trust's strategic review, assess how far the campaign has come since Lost in Translation was written in 2005.

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Trustees' report for the year ended 31 March 2020**

- Focus on developing a higher profile and a focussed use of its resources in Birmingham. It will seek to galvanise the initiatives taking place in Birmingham to support care experienced people following custody.
- Work with other Trusts and Foundations to consolidate opportunities for young people to have their say on the services that affect them. Service user voices remain crucial but so do the voices of peers in the community, who see, hear and have views on the criminal justice system but are not directly affected.
- Continue to support initiatives that focus on gender and race equality. The Criminal Justice Programme Manager will seek out opportunities to contribute to EQUAL's evidence base; we will make the case for voluntary and community sector organisation to proactively champion equality of outcome. We will work with other Trusts and Foundations to support the BAME led voluntary sector.

**Strategic Objective 2: Migration**

**In 2020-21 we will:**

- Continue to place strategic communication as a core component of the migration programme, with a focus on preparedness within the sector and beyond to respond to a range of possible outcomes in relation to Brexit and other external developments.
- Continue work to help ensure that the settlement scheme for EU migrants runs smoothly and does not overlook potentially vulnerable groups.
- Work on citizenship and the high cost of immigration fees, particularly removing barriers such as high cost.
- Launch the Access to Justice Fund in 2020 and provide input as appropriate.
- Continue work to understand the changing media landscape in relation to addressing prejudice and anti-immigrant rhetoric, particularly how to counter online hate.
- The issue of migration and new technologies may emerge as an important issue, particularly if further evidence emerges that it leads to racial or gender discrimination.
- Continue to focus on addressing anti-Muslim prejudice e.g. the Independent Commission on UK counter-terrorism policy and the publication of the ongoing research on strengthening communities against extremist threats.
- Work further to ensure the focus and scope of the Migration Policy and Practice project in Birmingham best serves the interests of migrants in the region.
- Focus on policy advocacy and continue work to develop a grassroots movement and overarching vision for future immigration and integration policy.

**Strategic Objective 3: Economic Justice**

**In 2020-21 we will:**

- Continue to fund the development and implementation of a community wealth building approach by identifying the areas in which the Trust can move conversations forward, fill gaps or usefully convene different stakeholders. In particular consider how to scale up existing community wealth building work across Birmingham and the WMCA and how best to scale up activities at a regional level.
- Continue to support better dialogue between citizens and Birmingham Council and the WMCA to help move statutory agencies along the path to co-production and building better local democracy and accountability. This will include ensuring the Inclusive Growth Unit is connected to our learning on inclusive practice and community wealth building.

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Trustees' report for the year ended 31 March 2020**

- Consolidate the gathering and use of statistical data on economic well-being, including ensuring the second report of the 'State of Economic Justice in Birmingham and the Black Country' reflects the needs of key stakeholders.
- Further strengthen the race and gender lenses of the portfolio and, in particular, examine how race and faith intersects with the Poverty Premium.
- Work with the Board during this last year of the strategic period to identify how we protect the legacy of work we will be withdrawing from, and to consider allocating resources to important initiatives we may be exiting.

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

**In 2020-21 we will**

- Continue to build **lived experience** into our work as well as create further evidence on the scale and effects of the poverty premium.
- Deepen our relationship with the **FBD Venture Fund** so we both continue to learn from each other and complement each other's work.
- Build on appetite for us to lead a national call for an **inclusive design** principle/requirement to be adopted by regulators of essential services.
- Increase our **partnership working** with those most able to help us achieve the changes we want to see.
- Continue exploratory activity with 'gatekeeper' firms (such as consultancies) so we are able to work together to engage with **businesses**. Activity will be aligned to our inclusive design project.
- Build our knowledge of the needs of low income consumers of **energy**, alongside the accompanying policy and regulatory environment, so we can better and more efficiently campaign for change.

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

**In 2020-21 we will:**

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

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

**In 2020-21 we will:**

- Recruit an additional non-family trustee.
- Maintain the Trust's performance management approach through objective setting, regular line management and appraisals for all staff.
- Maintain a robust and interrogative relationship with our investment managers.
- Complete our eco-audit and deepen our involvement as signatories to the Funders Commitment to Climate Change.
- Participate in the foundation's Diversity Equity and Inclusion project and DEI audit our own work.

**The Barrow Cadbury Trust (a company limited by guarantee)  
Trustees' report for the year ended 31 March 2020**

**Investment**

**In 2020-21 we will:**

- Ensure the management of the investment portfolio is of a high standard and produces the required returns.
- Through negative screening and discussions with the investment manager ensure investments held do not contravene the Trust's ethical policy.
- Actively engage with investee companies.
- Take a responsible approach to investing, considering environmental, social and governance issues and engaging with shareholder action.

**Social Investment**

**In 2020-21 we will:**

- Support existing social investees during current COVID-19 crisis, including being flexible on repayments.
- Engage with other social investors to share learning and encourage greater development of the market.
- Investigate further investments in new and innovative products which support the development of the social investment market, including new models of working and providing risk capital which is otherwise hard to raise.

**The Connect Fund**

**In 2020-21 we will:**

- Finalise the criteria and funding guidelines for 2020-23.
- Plan with Access how best to communicate the strategic shift in funding to grantees and the wider sector.
- Deepen the collaboration with Access, especially with regard to the early view of the pipeline of prospective grant applications.
- Draw up operational plans for 2020 onwards in light of the reduced staffing allocation.
- Work with Access to engage the sector with the findings from grantee projects, to share learning and to collaborate with a range of stakeholders.
- Continue to promote an 'impact first' approach to social investment via engagement with the SIF, SIIG, EVPA, the Coalition and the new Institute.
- Continue to promote and support improved diversity and equality across the social enterprise and investment sectors.
- Continue to champion the role of local infrastructure to strengthen the social sector's engagement with social investment.
- Support voluntary sector partnerships that emerge from place-based initiatives to improve the resilience of VCSEs.

**Strengthening civil society**

In 2020-21 we will continue to spend more than our income given the long term nature of our work in hand although the Board has reviewed spending plans thereafter and the Trust will gradually reduce spending capital over 2021-26 period. We aim to strengthen the capacity of our funded partners where we can and will continue to use our convening power and act as an 'honest broker' in the sector. We will continue our dialogue with key infrastructure organisations in order both to

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Trustees' report for the year ended 31 March 2020**

learn from them and to support them as they develop their strategic thinking. Specifically, we will work with others to improve leadership development and succession in the sector and to protect the independent advocacy voice of civil society.

**Cross cutting work and Promoting philanthropy**

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

**Funders' infrastructure**

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

**Statement of Trustees' responsibilities**

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

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

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Trustees' report for the year ended 31 March 2020**

In so far as the trustees are aware:

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

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

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

Approved by the trustees and signed on their behalf by:

**Erica Cadbury**  
**Chair of Trustee Board**  
11 July 2020

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

### **Independent Auditor's report for the year ended 31 March 2020**

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

##### **Opinion**

We have audited the financial statements of The Barrow Cadbury Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 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 financial statements is not appropriate; or
- The trustees have not disclosed in the group financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

##### **Other information**

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

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

### **Independent Auditor's report for the year ended 31 March 2020**

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

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

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

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

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

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

#### **Responsibilities of trustees**

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

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

### **Independent Auditor's report for the year ended 31 March 2020**

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's or the parent charitable company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

### **Independent Auditor's report for the year ended 31 March 2020**

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

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

#### **Use of our report**

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Elliott (Senior statutory auditor)

Date: 11 July 2020

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

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

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Consolidated statement of financial activities for the year ended 31 March 2020**  
**(incorporating an income and expenditure account)**

	Note	2020			2019		
		Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
<b>Income from:</b>							
Charitable activities	2	-	1,477	1,477	24	1,575	1,599
Investments	3	2,477	-	2,477	2,609	-	2,609
<b>Total income</b>		<b>2,477</b>	<b>1,477</b>	<b>3,954</b>	<b>2,633</b>	<b>1,575</b>	<b>4,208</b>
<b>Expenditure on:</b>							
Raising funds							
Investment management costs		367	-	367	372	-	372
Charitable activities							
Social justice and grant making	6						
Criminal justice		1,275	73	1,348	1,233	-	1,233
Migration		1,280	-	1,280	1,357	60	1,417
Economic Justice		949	-	949	1,269	-	1,269
Philanthropy, crosscutting & other		632	64	696	1,060	130	1,190
Connect Fund		189	671	860	183	1,322	1,505
Fair By Design		177	240	417	158	273	431
Voluntary sector use of premises		85	-	85	86	-	86
		<b>4,587</b>	<b>1,048</b>	<b>5,635</b>	<b>5,346</b>	<b>1,785</b>	<b>7,131</b>
<b>Total resources expended</b>		<b>4,954</b>	<b>1,048</b>	<b>6,002</b>	<b>5,718</b>	<b>1,785</b>	<b>7,503</b>
Net expenditure before gains & losses on investments		(2,477)	429	(2,048)	(3,085)	(210)	(3,295)
Net (losses)/gains on investments		(2,849)	-	(2,849)	4,122	-	4,122
<b>Net movement in funds</b>		<b>(5,326)</b>	<b>429</b>	<b>(4,897)</b>	<b>1,037</b>	<b>(210)</b>	<b>827</b>
Fund balances brought forward		86,821	206	87,027	85,784	416	86,200
<b>Fund balances carried forward</b>		<b>81,495</b>	<b>635</b>	<b>82,130</b>	<b>86,821</b>	<b>206</b>	<b>87,027</b>

All the above results are derived from continuing activities.

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

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

Company number: 5836950

**Balance sheets at 31 March 2020**

	Notes	Group		Charity	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Fixed Assets</b>					
Tangible assets	11	24	34	24	34
Investments	12	77,697	84,272	66,677	72,659
Programme related investments	13	2,188	2,262	2,188	2,207
		<b>79,909</b>	<b>86,568</b>	<b>68,889</b>	<b>74,900</b>
<b>Current assets</b>					
Debtors due within one year	14	445	569	460	552
Short term deposits		3,489	2,473	3,489	2,473
Cash at bank and in hand		3,096	2,316	3,019	2,284
		<b>7,030</b>	<b>5,358</b>	<b>6,968</b>	<b>5,309</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	15	(3,684)	(3,796)	(3,509)	(3,681)
<b>Net current assets</b>		<b>3,346</b>	<b>1,562</b>	<b>3,459</b>	<b>1,628</b>
<b>Total assets less current liabilities</b>		<b>83,255</b>	<b>88,130</b>	<b>72,348</b>	<b>76,528</b>
Creditors: amounts falling due after more than one year	16	(1,125)	(1,103)	(1,057)	(1,034)
<b>Total net assets</b>		<b>82,130</b>	<b>87,027</b>	<b>71,291</b>	<b>75,494</b>
<b>The funds of the charity</b>					
17					
Unrestricted funds					
Expendable endowment funds		59,839	60,101	59,839	60,101
Investment revaluation reserve		6,980	11,457	6,980	11,457
Designated funds	19	3,877	3,765	3,877	3,765
		<b>70,696</b>	<b>75,323</b>	<b>70,696</b>	<b>75,323</b>
Restricted funds	19	595	171	595	171
Funds retained within a non-charity subsidiary (The Barrow Cadbury Fund)					
Profit and loss account	26	9,718	9,629	-	-
Designated Funds	18	40	115	-	-
Restricted Funds	19	40	35	-	-
Investment revaluation reserve		1,041	1,754	-	-
<b>Total charity funds</b>	20	<b>82,130</b>	<b>87,027</b>	<b>71,291</b>	<b>75,494</b>

The financial statements were approved by the trustees on 11 July 2020 and signed on their behalf by:

Erica Cadbury  
Chair

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Consolidated statement of cash flows**  
**For the year ended 31 March 2020**

	Note	2020		2019	
		£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	21		<b>(4,370)</b>		(4,361)
<b>Cash flows from investing activities</b>					
Investment income		<b>2,329</b>		2,490	
Social investment income		<b>148</b>		119	
Purchase of fixed assets		-		(41)	
Proceeds from sale of investments		<b>31,590</b>		22,545	
Purchase of investments		<b>(26,264)</b>		(18,409)	
Foreign exchange (payments)/proceeds		<b>(1,703)</b>		(1,143)	
(Decrease)/increase in cash held by investment manager		<b>103</b>		(916)	
Proceeds from sale/redemption of social investments		<b>175</b>		257	
Purchase of social investments		<b>(212)</b>		(605)	
<b>Net cash provided by investment activities</b>			<b>6,166</b>		4,297
<b>Change in cash and cash equivalents in the year</b>					
Cash and cash equivalents at beginning of year			<b>4,789</b>		4,853
<b>Cash and cash equivalents at end of year</b>	22		<b>6,585</b>		4,789

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

**1. Accounting policies**

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

(b) Basis of preparation

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

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

(c) Basis of preparation - group accounts

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

(d) Public benefit entity

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

(e) Going concern

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

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

(f) Income - general recognition criteria

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

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

Dividends are recognised when they are declared.

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

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

(g) Fund accounting

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

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

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

(h) Expenditure and irrecoverable VAT

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

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

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

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

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

(i) Allocation of support costs

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

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

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

(j) Grants payable

Grants payable are charged to the statement of financial activities in the year in which the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the relevant conditions are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

(k) Operating leases

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

(l) Tangible fixed assets

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

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

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

(m) Listed investments

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

(n) Programme related investments

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

(o) Debtors

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

(p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(q) Short term deposits

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

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

(r) Creditors and provisions

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

The charity only has financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(s) Pensions: defined contribution

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

(t) Foreign currency translations

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

**2. Charitable Activities**

Charitable activities represent grants and donations from other charitable foundations for specific activities. More detail is included in note 19.

**3. Investment income and interest receivable**

All income listed is unrestricted, for both 2019 and 2020.

	<b>2020</b>	2019
	<b>£ '000</b>	£ '000
Income from listed investments	<b>2,299</b>	2,461
Interest receivable	<b>30</b>	29
Income from social investments	<b>148</b>	119
Total	<b><u>2,477</u></b>	<u>2,609</u>

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

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

Net outgoing resources for the year is stated after charging:

	<b>2020</b>	2019
	<b>£ '000</b>	£ '000
Auditor's remuneration (excluding VAT)		
Group – for audit	<b>14</b>	13
(of which the charity amounts to)	<b>10</b>	9
Group – for other services	<b>1</b>	1
Depreciation of tangible fixed assets	<b>10</b>	7
Rentals payable under operating leases	<b>179</b>	179
Trustee professional indemnity insurance	<b>1</b>	1
Trustee meeting and travelling expenses and learning and development	<b>20</b>	21

**5. Grants awarded by the group**

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

Programme	<b>2020</b>	2019
	<b>Number</b>	Number
Criminal justice	<b>25</b>	25
Migration	<b>24</b>	25
Economic Justice	<b>22</b>	29
Connect Fund	<b>24</b>	29
Fair By Design	<b>2</b>	5
Philanthropy, Cross-Cutting & other	<b>10</b>	16
Total	<b>107</b>	129

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

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

**6. Social justice and grant making  
2020**

	<b>Criminal Justice</b>	<b>Migration</b>	<b>Economic Justice</b>	<b>Philanthropy &amp; other</b>	<b>Connect Fund</b>	<b>Fair By Design Campaign</b>	<b>Voluntary sector use of premises</b>	<b>Total 2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<u>Direct costs</u>								
Projects, campaigns & partnerships	1,109	1,034	806	483	483	12	-	<b>3,927</b>
Direct staff and property costs	126	122	86	116	189	227	73	<b>939</b>
	<b>1,235</b>	<b>1,156</b>	<b>892</b>	<b>599</b>	<b>672</b>	<b>239</b>	<b>73</b>	<b>4,866</b>
<u>Support costs</u>								
Management & administrative staff	57	63	29	50	98	91	6	<b>394</b>
Property	30	32	15	25	49	47	3	<b>201</b>
Governance	10	11	5	8	15	15	1	<b>65</b>
Other support costs	16	18	8	14	26	25	2	<b>109</b>
<b>Total 2020</b>	<b>1,348</b>	<b>1,280</b>	<b>949</b>	<b>696</b>	<b>860</b>	<b>417</b>	<b>85</b>	<b>5,635</b>

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

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

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

**7. Governance costs**

<b>For the group</b>	<b>2020</b>	2019
	<b>£ '000</b>	£ '000
Staff costs	26	26
Auditor's remuneration	16	16
Trustee meeting and travelling expenses and learning and development	20	21
Trustee training	1	-
Legal and professional costs	2	1
<b>Total</b>	<b>65</b>	<b>64</b>

**8. Staff numbers and costs**

Staff costs during the year were:

	<b>2020</b>	2019
	<b>£ '000</b>	£ '000
Wages and salaries	814	802
Social security costs	88	87
Employer's contribution to defined contribution pension scheme	177	136
<b>Total</b>	<b>1,079</b>	<b>1,025</b>

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

	<b>2020</b>	2019
	<b>No.</b>	No.
Social justice and grant making	13.9	13.8
Support	3.3	3.3
Governance	0.2	0.2
<b>Total</b>	<b>17.4</b>	<b>17.3</b>

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

	<b>2020</b>	2019
	<b>No.</b>	No.
£60,000 - £69,999	1	-
£70,000 - £79,999	1	2
£90,000 - £99,999	1	1

The total employee benefits including pension contributions and employer national insurance contributions of the key management personnel amounted to £341,922 (2019: £337,408).

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

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

**For 2020**

<b>Role</b>	<b>Salary</b>	<b>Employer pension contribution</b>	<b>Employer NI contribution</b>
	£	£	£
Chief Executive	97,905	29,394	12,230
Director of Programmes	59,795	33,613	7,061
Director of Finance and Administration	<u>71,877</u>	<u>21,229</u>	<u>8,728</u>
<b>TOTAL</b>	<u>229,577</u>	<u>84,236</u>	<u>28,109</u>

**Comparative figures for 2019**

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

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

**9. Trustee remuneration and costs**

None of the trustees received any remuneration for their services during the year (2019 - nil).

During the year travel expenses amounting to £10,525 (2019 - £12,603) were reimbursed to, or paid on behalf of, nine trustees (2019 – ten).

**10. Taxation**

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

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

**11. Tangible fixed assets**

<b>For charity and group</b>	<b>Leasehold improvements £'000</b>	<b>Fixtures, fittings &amp; equipment £'000</b>	<b>Computer equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 April 2019 and at 31 March 2020	<u>83</u>	<u>34</u>	<u>11</u>	<u>128</u>
<b>Depreciation</b>				
At 1 April 2019	54	29	11	94
Charge for year	8	2	-	10
At 31 March 2020	<u>62</u>	<u>31</u>	<u>11</u>	<u>104</u>
<b>Net book values</b>				
At 31 March 2020	<u>21</u>	<u>3</u>	<u>-</u>	<u>24</u>
At 31 March 2019	<u>29</u>	<u>5</u>	<u>-</u>	<u>34</u>

All the above assets are used for charitable purposes.

**12. Investments**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Investments at market value</b>				
Market value at 1 April 2019	<b>81,188</b>	80,059	<b>70,100</b>	69,319
Additions at cost	<b>26,264</b>	18,409	<b>23,335</b>	14,499
Disposal proceeds	<b>(31,590)</b>	(22,545)	<b>(28,276)</b>	(18,273)
Investment gains/(losses)	<b>(1,146)</b>	5,265	<b>(952)</b>	4,555
Market value at 31 March 2020	<u><b>74,716</b></u>	<u>81,188</u>	<u><b>64,207</b></u>	<u>70,100</u>
Cash held by investment managers	<b>2,981</b>	3,084	<b>2,470</b>	2,559
	<u><b>77,697</b></u>	<u>84,272</u>	<u><b>66,677</b></u>	<u>72,659</u>
Historic cost of investments	<u><b>69,676</b></u>	<u>71,061</u>	<u><b>59,696</b></u>	<u>61,202</u>
<b>Reconciliation of investment gains with Statement of Financial Activities</b>				
Investment (losses)/gains	<b>(1,146)</b>	5,265	<b>(952)</b>	4,555
Foreign exchange contract losses	<b>(1,703)</b>	(1,143)	<b>(1,468)</b>	(993)
Net (losses)/gains on investments	<u><b>(2,849)</b></u>	<u>4,122</u>	<u><b>(2,420)</b></u>	<u>3,562</u>

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
<b>Investments comprise the following:</b>				
Fixed interest	<b>10,880</b>	11,772	<b>9,322</b>	10,166
UK equities	<b>13,111</b>	16,556	<b>11,248</b>	14,288
Global equities	<b>39,153</b>	41,263	<b>33,597</b>	35,629
Property	<b>3,579</b>	8,059	<b>3,170</b>	6,956
Alternative assets	<b>7,687</b>	3,716	<b>6,611</b>	3,214
Forward exchange contracts	<b>306</b>	(178)	<b>259</b>	(153)
Liquid assets	<b>2,981</b>	3,084	<b>2,470</b>	2,559
	<b>77,697</b>	84,272	<b>66,677</b>	72,659

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

**13. Programme related investments**

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
<b>Investments at cost</b>				
Cost less impairments at 1 April 2019	<b>2,262</b>	2,464	<b>2,207</b>	2,409
Additions at cost	<b>212</b>	605	<b>212</b>	555
Losses and impairments	<b>(111)</b>	(550)	<b>(111)</b>	(500)
Disposals and repayments	<b>(175)</b>	(257)	<b>(120)</b>	(257)
Cost less impairments at 31 March 2020	<b>2,188</b>	2,262	<b>2,188</b>	2,207
<b>Investments comprise the following:</b>				
Equities	<b>712</b>	732	<b>712</b>	732
Debt	<b>970</b>	1,147	<b>970</b>	1,092
Limited partnership	<b>506</b>	383	<b>506</b>	383
Total	<b>2,188</b>	2,262	<b>2,188</b>	2,207

At 31 March 2020 the trustees had further commitments to specific programme related investments of £869,840 (2019 - £1,032,321). These are treated as designated funds.

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

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

**14. Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
<b>Due within one year</b>	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Dividends and interest receivable	<b>215</b>	323	<b>201</b>	302
Prepayments and amounts receivable	<b>225</b>	225	<b>225</b>	225
Amount due from the Barrow Cadbury Fund	-	-	<b>29</b>	4
Other debtors	<b>5</b>	21	<b>5</b>	21
	<b>445</b>	569	<b>460</b>	552

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

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Trade creditors	<b>10</b>	23	<b>10</b>	23
Grants payable	<b>3,463</b>	3,506	<b>3,308</b>	3,410
Social security and other taxes	<b>23</b>	27	<b>23</b>	27
Accruals	<b>184</b>	223	<b>164</b>	204
Other creditors	<b>4</b>	17	<b>4</b>	17
	<b>3,684</b>	3,796	<b>3,509</b>	3,681

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

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Grants payable between 1 and 2 years	<b>858</b>	910	<b>803</b>	852
Grants payable between 2 and 5 years	<b>267</b>	193	<b>254</b>	182
Grants payable	<b>1,125</b>	1,103	<b>1,057</b>	1,034

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

**17. Analysis of charitable funds**

	At 1 April 2019 £'000	Net expenditure, gains, losses & transfers £'000	At 31 March 2020 £'000
Unrestricted funds			
Expendable endowment funds	60,101	(262)	<b>59,839</b>
Investment revaluation reserve	11,457	(4,477)	<b>6,980</b>
Designated funds	3,765	112	<b>3,877</b>
Restricted funds	171	424	<b>595</b>
<b>Total funds of the parent charity</b>	<b>75,494</b>	<b>(4,203)</b>	<b>71,291</b>
Funds retained within a non-charity subsidiary (The Barrow Cadbury Fund)			
Profit & Loss account	9,629	89	<b>9,718</b>
Designated funds	115	(75)	<b>40</b>
Investment revaluation reserve	1,754	(713)	<b>1,041</b>
Restricted funds	35	5	<b>40</b>
<b>Total funds of the group</b>	<b>87,027</b>	<b>(4,897)</b>	<b>82,130</b>

**Analysis of charitable funds for prior year**

	At 1 April 2018 £'000	Net expenditure, gains, losses & transfers £'000	At 31 March 2019 £'000
Unrestricted funds			
Endowment funds	61,430	(1,329)	<b>60,101</b>
Investment revaluation reserve	9,628	1,829	<b>11,457</b>
Designated funds	3,558	207	<b>3,765</b>
Restricted funds	416	(245)	<b>171</b>
<b>Total funds of the parent charity</b>	<b>75,032</b>	<b>462</b>	<b>75,494</b>
Funds retained within a non-charity subsidiary (The Barrow Cadbury Fund)			
Profit & Loss account	9,549	80	<b>9,629</b>
Designated funds	155	(40)	<b>115</b>
Investment revaluation reserve	1,464	(590)	<b>1,754</b>
Restricted funds	-	35	<b>35</b>
<b>Total funds of the group</b>	<b>86,200</b>	<b>827</b>	<b>87,027</b>

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

Restricted funds represent amounts received from other organisations for specific projects. These are detailed in note 19.

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

**18. Designated Funds**

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

<b>Designated Funds</b>	<b>2020</b>	2019
	<b>£'000</b>	£'000
Parent company		
Invested in programme related investments	<b>2,188</b>	2,207
Outstanding commitments to programme related investments	<b>870</b>	1,032
Funds allocated to specific programme work	<b>819</b>	526
Subsidiary company		
Invested in programme related investments	-	55
Funds allocated to specific programme work	<b>40</b>	60
<b>Total</b>	<b>3,898</b>	<b>3,880</b>

**19. Restricted Funds**

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

<b>Restricted Funds</b>	<b>At 1 April</b>	<b>Incoming</b>	<b>Outgoing</b>	<b>At 31 March</b>
	<b>2019</b>	<b>resources</b>	<b>resources</b>	<b>2020</b>
	£'000	£'000	£'000	£'000
Migration Exchange	39	-	-	<b>39</b>
Funders for Race Equality	24	40	(64)	-
The St Sarkis Charity Trust	-	73	(73)	-
Connect Fund	39	975	(621)	<b>393</b>
Connect Fund (held in subsidiary)	35	55	(50)	<b>40</b>
Fair By Design Campaign	60	334	(240)	<b>154</b>
Other	9	-	-	<b>9</b>
<b>Total</b>	<b>206</b>	<b>1,477</b>	<b>(1,048)</b>	<b>635</b>

**Comparative figures for 2019**

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

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

**Purpose of restricted funds**

Migration Exchange	The Migration Exchange programme aims to encourage debate on national identity, integration and identity.		
Funders for Race Equality	The programme aims to increase race equality. External funders for the current phase of the programme include:		
	Total grant	Recognised in year	
	£	£	
	National Lottery Community Fund	20,000	10,000
	Esmée Fairbairn Foundation	20,000	-
	Joseph Rowntree Charitable Trust	20,000	15,000
	Lankelly Chase Foundation	20,000	-
	Lloyds Bank Foundation	20,000	-
	Paul Hamlyn Foundation	30,000	15,000
	Trust for London	12,000	-
	Total		40,000
The St Sarkis Charity Trust	The St Sarkis Charity Trust co-funded three criminal justice projects through the Barrow Cadbury Trust.		
Connect Fund	The Connect Fund, funded by the Access Foundation, has been set up to strengthen the social investment market to better meet the needs of charities and social enterprises.		
Fair By Design Campaign	The Fair By Design Campaign works with companies, regulators, policy makers and the public to end the poverty premium. External Funders for the three years (2019-22) of the programme include:		
	Total grant	Recognised in year	
	£	£	
	Comic Relief	200,000	66,666
	Joseph Rowntree Foundation	150,000	50,000
	National Lottery Community Fund	200,000	67,000
	Tudor Trust	150,000	-
	Trust For London	150,000	150,000
	Total		333,666
	In addition the Barrow Cadbury Trust has committed £100,000 towards the Campaign for the same period.		

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

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

Fund balances at 31 March 2020 are represented by:

	Unrestricted funds				Restricted funds		Total
	Endowment	Investment revaluation reserve	Designated	Within subsidiary	Parent company	Within subsidiary	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tangible assets	24	-	-	-	-	-	24
Investments	58,008	6,980	1,689	11,020	-	-	77,697
Programme related investments	-	-	2,188	-	-	-	2,188
Current assets	6,345	-	-	50	595	40	7,030
Current liabilities	(3,481)	-	-	(203)	-	-	(3,684)
Creditors greater than one year	(1,057)	-	-	(68)	-	-	(1,125)
<b>Net assets</b>	<b>59,839</b>	<b>6,980</b>	<b>3,877</b>	<b>10,799</b>	<b>595</b>	<b>40</b>	<b>82,130</b>

Fund balances at 31 March 2019 were represented by:

	Unrestricted funds				Restricted funds		Total
	Endowment	Investment revaluation reserve	Designated	Within subsidiary	Parent company	Within subsidiary	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tangible assets	34	-	-	-	-	-	34
Investments	59,643	11,457	1,558	11,614	-	-	84,272
Programme related investments	-	-	2,207	55	-	-	2,262
Current assets	5,134	-	-	18	171	35	5,358
Current liabilities	(32,676)	-	-	(120)	-	-	(3,796)
Creditors greater than one year	(1,034)	-	-	(69)	-	-	(1,103)
<b>Net assets</b>	<b>60,101</b>	<b>11,457</b>	<b>3,765</b>	<b>11,498</b>	<b>171</b>	<b>35</b>	<b>87,027</b>

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

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

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>Net (expenditure)/income for the year</b>	<b>(4,897)</b>	827
<b>(as per the statement of financial activities)</b>		
Depreciation charges	<b>10</b>	7
Losses/(gains) on investments	<b>2,849</b>	(4,122)
Dividends & interest from investments	<b>(2,329)</b>	(2,490)
Losses on social investments	<b>111</b>	550
Dividends & interest from social investments	<b>(148)</b>	(119)
Decrease in debtors	<b>124</b>	37
(Decrease)/increase in creditors	<b>(90)</b>	949
Net cash used in operating activities	<b>(4,370)</b>	(4,361)

**22. Analysis of cash and cash equivalents**

	1 April 2019 £'000	Cash flows 2019-20 £'000	<b>31 March 2020 £'000</b>
Cash at bank and in hand	2,316	780	<b>3,096</b>
Notice deposits	2,473	1,016	<b>3,489</b>
	<u>4,789</u>	<u>1,796</u>	<u><b>6,585</b></u>

**Comparative figures for 2018-19**

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

**23. Programme commitments**

Grants are fully accrued for once they have been approved and the grantee informed. As noted in note 13 there are commitments relating to programme related investments of £869,840 (2019: £1,032,321).

**24. Operating lease commitments**

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

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	£'000
Less than one year	<b>202</b>	202
One to five years	<b>344</b>	546
	<u><b>546</b></u>	<u>748</u>

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

**25. Parent Charity**

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

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Gross income	<b>3,905</b>	3,988
(Loss)/surplus for year	<b><u>(4,203)</u></b>	<u>462</u>

**26. Subsidiary company**

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

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

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

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

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

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Income from fixed asset investments	<b>326</b>	332
Grants receivable	<b>55</b>	95
Gains on sale of investments	<b>285</b>	270
Other income	<b>-</b>	23
	<b><u>666</u></b>	<u>720</u>
Grants and special initiatives	<b>(262)</b>	(311)
Administrative expenses	<b>(100)</b>	(104)
Surplus on ordinary activities before investment gains or losses	<b><u>304</u></b>	<u>305</u>
Unrealised (losses)/gains on investments	<b>(713)</b>	209
(Loss)/surplus on ordinary activities	<b><u>(409)</u></b>	<u>595</u>

**Retained earnings**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Total retained earnings brought forward	<b>11,533</b>	11,168
(Loss)/surplus on ordinary activities	<b>(409)</b>	595
Distribution under Gift Aid to parent charity	<b>(285)</b>	(230)
Total retained earnings carried forward	<b><u>10,839</u></b>	<u>11,533</u>

**The Barrow Cadbury Trust (a company limited by guarantee)**  
**Notes to the accounts for the year ended 31 March 2020**

The aggregate of the assets, liabilities and reserves was:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	£'000
Assets	<b>11,111</b>	11,722
Liabilities	<b>(272)</b>	(189)
Reserves	<b>10,839</b>	11,533

**27. Related party transactions**

The Barrow Cadbury Trust and the Barrow Cadbury Fund are administered from the same registered office. The Barrow Cadbury Trust incurs most administrative expenses and is reimbursed by the Barrow Cadbury Fund for its appropriate share of these costs. In 2020 these amounted to £46,912 (2019 - £45,920). In addition the Barrow Cadbury Fund made a donation of £285,000 to the Barrow Cadbury Trust during the year (2019 - £230,000).

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

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

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