



The Barrow Cadbury Trust
(A company limited by guarantee)

**Trustees' Report and
Consolidated Accounts of the Group
For the year ended 31 March 2011**

Charity Registration Number	1115476
Company Registration Number (England and Wales)	5836950

The Barrow Cadbury Trust (incorporated)

Contents

Reports

Reference and administrative details	2
Trustees' report	4
Independent auditors' report	16

Accounts

Consolidated statement of financial activities of the group	18
Balance sheets	19
Notes to the accounts	20

The Barrow Cadbury Trust (a company limited by guarantee)

Reference and administrative details

Year ended 31 March 2011

Trustees	Ruth Margaret Cadbury (Chair) Erica Rachel Cadbury Nicola Jayne Cadbury Anna Catherine Southall Anna Claire Steiger (amendment 16 October 2010) Tamsin Amalia Rupprecht Timothy Basil Compton Harry Serle Gordon Mitchell Richard Brennan (resigned 3 July 2010) Helen Rachel Cadbury (appointed 21 May 2011)
Co-optees	Carol Harrison – Investment Management Committee (appointed 10 October 2010)
Chief Executive	Sara Llewellyn
Company Secretary	John Tuck (resigned 30 June 2010) Sara Llewellyn (appointed 3 July 2010)
Principal office	Kean House 6 Kean Street London WC2B 4AS
Telephone	0207 632 9060
Facsimile	0207 632 9061
Website	www.barrowcadbury.org.uk
Company registration number	5836950
Charity registration number	1115476
Statutory auditors	Sayer Vincent 8 Angel Gate City Road London EC1V 2SJ
Bankers	HSBC Bank plc 94 Kensington High Street London W8 4SJ

The Barrow Cadbury Trust (a company limited by guarantee)

Reference and administrative details

Year ended 31 March 2011

Investment managers Sarasin & Partners LLP
5th Floor Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

Solicitors Russell-Cooke
2 Putney Hill
Putney
London
SW15 6AB

The Barrow Cadbury Trust (a company limited by guarantee)

Trustees' report

Year ended 31 March 2011

The Trustees present their statutory report together with the accounts of the Barrow Cadbury Trust (the Trust) for the year ended 31 March 2011. The accounts consolidate the financial statements of the Trust and its subsidiary undertaking, the Barrow Cadbury Fund (the Fund). Comparatives are for the year ended 31 March 2010.

The reference and administrative information on pages 1 and 2 forms part of this report.

The accounts have been prepared in accordance with the accounting policies set out on pages 20 and 21 and comply with the charity's memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005.

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 was dormant until 31 July 2006. On 1 August 2006, the Trustees of the unincorporated separate charity the Barrow Cadbury Trust (registered charity number: 226331) transferred the assets, subject to their liabilities, and activities of that charity to this Trust.

The Trust is the sole member of the Barrow Cadbury Fund (the Fund), a non-charitable company limited by guarantee. Decisions regarding investments, grant making and other charitable work (including matters referred to later in this Trustees' report) are made by the Trustees and Directors taking the Trust and the Fund together.

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

Until 2009, all of the Trustees were direct descendants of Barrow and Geraldine Cadbury. Two non-family members were appointed in 2009. 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 through a formal recruitment process 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 annually. There is continuing emphasis on improving capabilities in governance, investment and 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 are arranged for Trustees on relevant matters, some with all staff, some with the Executive Team and some for Trustees only.

Richard Brennan resigned as Director and Trustee on 03 July 2010 and subsequently died later in the month. His brief contribution was very greatly appreciated by trustees and staff alike.

Chief Executive

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

The Barrow Cadbury Trust (a company limited by guarantee)

Trustees' report

Year ended 31 March 2011

Governance

Since a comprehensive governance review in 2008/09, a core governance pack has been 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.

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. 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 March 2011. Specific updates include consideration of risk mitigation regarding programme related investment and conflicts of interest.

Strategic and operational planning

During the year planning workshops were held, with Trustees and staff working together to produce a new Strategic Plan for 2011/2013 and Operational Plan for 2011/2012. During the year the final stage of an organisational structural review was implemented. Trustees set an operating budget for the year in the light of this. It was decided by the Board to continue to spend more than the anticipated investment income during the year. The future approach of the Trustees to spending is outlined in this report under 'Financial review' on page 12 of this report.

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.

The Trust's mission is to promote social justice through grant making, research, influencing public opinion and policy and supporting local communities. The benefits arising from the Trust's work include:

- assistance to people, especially young adults, who are within or at risk of falling into the criminal justice system;
- assistance to refugees, asylum seekers and undocumented migrants;
- assistance to people living in poverty, particularly - but not exclusively - in the West Midlands, where the Trust has its historic roots.

This assistance is provided indirectly by the Trust funding voluntary organisations and community groups to work directly with beneficiaries.

The Trust describes its approach as 'Funder Plus' and aims to bridge the divide between local communities and policymakers. In areas where there are political blockages, the Trust works with think tanks, campaigning organisations and the media to shift the terms of debate or reframe the issues. 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 secure better conditions for beneficiaries. These benefits are described in more detail in the next section of this report.

The Barrow Cadbury Trust (a company limited by guarantee)

Trustees' report

Year ended 31 March 2011

Objectives and Activities, Achievements and Performance

In April 2010 Trustees approved a new three year Strategic Plan for the Trust. This outlines our vision, mission, values, cross-cutting themes and strategic objectives.

Vision:

The Trust's vision is of a peaceful, equitable society, free from discrimination and based on the principle of social justice for all.

Mission:

The Trust's mission is to promote social justice through grant making, research, influencing public opinion and policy and supporting local communities.

Values:

The values which underpin the work of the Trust are as follows:

Promotion of social justice	the Trust aims to put fairness and equality at the heart of all its work.
Empowerment	the Trust seeks to uphold and extend the rights of marginalised groups, to reflect the grassroots experience of local communities and to support them in making their voices heard.
Partnership	the Trust works in partnership with other grant makers and with stakeholders at international, national, regional and local levels.
Local focus	the Trust values its historic relationship with Birmingham and the West Midlands.
Relationship with funded groups	the Trust aims to be approachable, fair and responsive grant maker.
Valuing learning	the Trust aims to be a learning organisation open to the exchange of information and ideas, with its work grounded in solid evidence base.
Innovation and independence	as an independent grant maker, the Trust is alive to emerging needs and new ideas and ways of working and is willing to take risks in pursuit of social justice.
Quaker ethos	while there is no requirement for Trustees and staff to be Quakers - and most are not - the Trust values its historical roots within Quaker ways of working and tradition of social and penal reform.

Cross-cutting themes:

The Trust has a particular interest in the following themes across its work:

- supporting the independence and diversity of the voluntary sector
- addressing gender-based disadvantage

The Barrow Cadbury Trust (a company limited by guarantee)

Trustees' report

Year ended 31 March 2011

- addressing disadvantage based on race and ethnicity
- funding groups, projects and programmes in Birmingham and the West Midlands.

Strategic Objectives:

The Trust's four strategic objectives for 2010/13 are:

Strategic Objective 1

To support people who are within or at risk of entering the criminal justice system to improve their life chances, with a particular focus on young adults.

Strategic Objective 2

To help ensure that migration is managed in a way that is equitable and socially just and that the voices of both migrants and receiving communities are heard in the public debate.

Strategic Objective 3

To support effective approaches to combating poverty and inequality and assist in building inclusive communities.

Strategic Objective 4

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

Operational Objectives 2010/11:

The Operational Plan for 2010/11 identified 24 operational objectives for the year across the four Strategic Objectives, against which Trustees were given quarterly progress monitoring reports.

Activities

The Trust works to achieve its objectives through grant making, outreach, commissioning research, facilitating alliances and partnerships and adding value to grants through capacity building and learning support. The model of the Trust's work is designed to 'speak truth to power' by enabling the voices and perspectives of marginalised and disadvantaged people to be heard in the public policy arena.

New programme approvals in 2010/11

The following table includes the total value of programme approvals in 2010/11 for each of the three programme areas.

Criminal Justice	Migration	Poverty & Inclusion	Total
£1,167,447	£808,752	£845,019	£2,821,218

The Barrow Cadbury Trust (a company limited by guarantee)

Trustees' report

Year ended 31 March 2011

Key achievements 2010/11:

Strategic Objective 1 – Criminal Justice

Over the course of 2010-2011 The Trust has achieved the following to further this objective:

- strengthened the Transition to Adulthood Alliance comprising twelve key organisations plus the Barrow Cadbury Trust; working to secure policy change for young adults in the criminal justice system;
- added a number of reports and publications to the T2A evidence base, notably the formative evaluation of the T2A pilots by Oxford University, 'Access to Justice Denied' by the Howard League for Penal Reform regarding access to legal services for young adults in custody and a report from Race on the Agenda (ROTA) on girls, young women and gang violence.
- T2A made a number of submissions to government consultations and other enquiries including the Justice Select Committees review on the role of the Probation Service, the Ministry of Justice's initial consultation and resultant Green Paper, in which specific reference was made to the need for a district approach to young adults in payment by results contracts;
- T2A secured high level meetings with policy makers and politicians including National Audit Office, Ministry of Justice, Sentencing Council, the Legal Services Board, the Ministry of Justice policy unit and the Director of Offender Health at the Department of Health;
- T2A undertook a series of parliamentary briefings – with particular reference to influential members of the House of Lords and Conservative MPs, securing parliamentary questions and events;
- T2A held events at all three party conferences, with keynote addresses from justice ministers Lord McNally and Crispin Blunt and new MP Rushanari Ali. The Children's Minister, Tim Longton MP was the keynote speaker at the T2A national conference;
- T2A secured considerable media coverage of issues relating to young adults in the criminal justice system, most notably: A BBC Northern Ireland two-part TV documentary on the T2A Prince's Trust project in Belfast; coverage of the T2A legal aid report by the Howard League in The Guardian; trade magazine coverage of the Revolving Doors' T2A publications in Children and Young People Now; and articles for the Magistrate magazine and Progress;
- T2A held a series of events to showcase the T2A pilots in their home regions, an expert round-table on education for young adults in Youth Offender Institutions, an event on young people at Birmingham's Lunar Society and a round table at the House of Lords on maturity assessments. The national conference of T2A was also focussed on maturity with international comparators
- supporting projects at the grass roots, especially in Birmingham, has included establishing a consortium of local groups and helping build their capacity for contracting;
- confirmed involvement in the Corston Independent Funders Coalition promoting the implementation of the recommendation of Baroness Corston's report on women in the criminal justice system. The Coalition has had notable success in ensuring confirmed financial support from the Ministry of Justice for the women's centred approach to community provision;
- invested in Social Finance's first Social Impact Bond at Peterborough Prison which was launched amid much publicity in September 2010.

The Barrow Cadbury Trust (a company limited by guarantee)

Trustees' report

Year ended 31 March 2011

New programme approvals: Criminal Justice	£1,167,447
<i>Breakdown</i>	
Grants	£387,973
Research & Partnership	£161,145
Transition to Adulthood	£618,329

Strategic Objective 2 – Migration in Europe

Over the course of 2010-2011 The Trust has achieved the following to further this objective:

- Continued to have a strong focus on research and policy work, both to influence the policy environment and wider public discourse on migration. Examples include 'People on the Move', the Trust's editorial partnership with the global international affairs website OpenDemocracy, ongoing research into undocumented migrant children in the US and UK with Georgetown and Oxford Universities, and the French Institute of International Relations' Task Force on irregular migration;
- developed the funding collaborative to take forward Changing Minds, to improve public discourse on migration issues. In particular this year progress has been made to establish a social justice communications agency which will be based in our offices but answerable to the broader based independent Board;
- partnered the Migration Policy Institute's Transatlantic Council on Migration, this year concentrating on the impact on migration and integration practice of the global recession, holding six-monthly high level policy conferences and advising governments;
- commissioned 'Transatlantic Trends' for the third year, polling public attitudes to migration across Europe and North America. In the UK, the data is being used by the UK Border Agency and the Cabinet Office;
- chaired the European Foundation Centre's active group on diversity, migration and integration (DMIIG), concentrating on the impact of the recession, educational interventions and the rise of populism across Europe;
- participated in the Cities of Migration project, a global partnership to provide web based materials showcasing good integration practice around the work;
- contributed to the development and launch of the Migration Observatory at Oxford, designed to be the UK's authoritative independent data source on migration;
- continued to fund grassroots and campaigning organisations seeking fairness both for migrants and for receiving communities. Examples include Kalayaan, Migrants Rights Network, Kanlungan, Article 1, Praxis and Migrant Voice;
- convened learning events for grass roots groups to learn from each other about policy, practice and new ideas;
- promoted events to give voice to migrant experience including the new economics foundation's 'Why the Cap Won't Fit', London Detainees Support Group's event at party conferences and Migrant Resource Centre's report on the lived experience of undocumented migrants.

New programme approvals: Migration	£808,752
<i>Breakdown</i>	
Grants	£337,130
Research & Partnership	£471,622

The Barrow Cadbury Trust (a company limited by guarantee)

Trustees' report

Year ended 31 March 2011

Strategic Objective 3 – Poverty and Inclusion

Over the course of 2010-2011 The Trust has achieved the following to further this objective:

- Further developed the Habits of Solidarity network, a closed group of organisations funded to work on various aspects of community cohesion/bridge building on potentially polarised areas. The network met several times during the year for facilitated learning sessions. We funded the network for a further year.
- undertook development outreach in areas of Birmingham with low social capital and invested in development support in these neighbourhoods. Examples include; grants to Castle Vale Tenants and Residents Alliance to set-up the Shard End Community Project; Saheli Women's Group to engage women and girls in democratic structures in Sparkbrook; Piers Road International Women's Association to deliver training for civic engagement and New Height's Warren Farm to develop community hubs in Kingstanding;
- reviewed the Trust's Poverty and Inclusion programme in the light of the fast changing economic and political landscape. Committed widely and refocused the programme in three work streams: community resilience, sustainable economics and financial inclusion.;
- funded a range of projects on this new programme, both in the policy arena and grass roots level. Began the process of fashioning this into a coherent portfolio of work with synergy between individual investments. Examples include ; grants to Compass, to conduct research on spending and debt in a deprived neighbourhood in Birmingham which fed evidence into the End Legal Loan Sharking campaign and Communisave Credit Union to increase its membership base;
- community resilience – early support for the Big Society Network's Your Square Mile and new economics foundation's action research into resilience factors in the current financial climate in areas of Birmingham. Funding support for a feasibility study into establishing a Social Impact Bond or similar funding mechanism for BeActive, a major community health initiative in Birmingham. ;
- sustainable economics – New Era Economics, an ippr (Institute for Public Policy Research) enquiry into new approaches for our changing world and Respublica proposals for a Community Reinvestment Act;
- financial inclusion – jointly with Demos and Scope a report on the impact of public spending cuts on disabled people and, with Compass, contributing to the End Legal Loan Sharking campaign.;
- when sensible, the Trust encourages policy and research partners to base some of their work on Birmingham case studies and draw on the lived experience of people in the West Midlands. Examples of this include the Young Foundation's work on resilience factors and Compass's work on household indebtedness;

New programme approvals: Poverty and Inclusion	£845,019
<i>Breakdown</i>	
Grants	£621,754
Research & Partnership	£223,265

The Barrow Cadbury Trust (a company limited by guarantee)

Trustees' report

Year ended 31 March 2011

Strategic Objective 4 – Organisational Development

Over the course of 2010-2011 The Trust has achieved the following to further this objective:

- Integrated trustee learning and development plan into the organisational learning and development strategy;
- updated trustee governance pack and undertaken a legal health check;
- completed organisational restructuring and put new Executive Team in place;
- implemented the new performance management framework;
- reviewed internal meeting structure;
- made our first programme related investments and began the necessary development process for further social investment;
- continuous sustainability reporting on investments put in place;
- agreed to increase ethical and social investment by up to £2M in the first instance;
- started but not completed a new evaluation framework;
- achieved significant levels of media coverage for our social justice work;
- produced two editions of the Barrow Cadbury Trust Newsletter (Summer and Winter 2010/2011);
- held successful fringe events at all three major party conferences relating to all three of our programmes;
- redesigned and relaunched our website;
- tendered external audit function and appointed new auditors;
- completed internal audit;
- assessment, due diligence and grant management systems revised and improved.

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. During the year trustees had issue-specific workshops relating to all our programmes and visited some of our funded projects in Birmingham. We are in the process of developing a more sophisticated approach to evaluating our work and achievements and are committed to helping our partners do the same. We actively encourage staff to play an active role in civic life and to stretch themselves into new areas of learning.

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

- Ran 3 seminars on 'Speaking Truth to a Different Power' for partners, delivered by a former speech-writer of David Cameron;
- supported and participated in NAVCA's leadership conference, report and round table;
- ran seminars in Birmingham and in London to present and disseminate the findings of our funded research projects;
- hosted a colleague from a Spanish foundation for a month and provided her with a learning programme;
- contributed to several bursaries to enable activists from developing countries to participate in civil society or foundation activities;

The Barrow Cadbury Trust (a company limited by guarantee)

Trustees' report

Year ended 31 March 2011

- initiated and helped establish an ACF Group for operational and administrative staff and enabled our non-programme staff to visit and share practice with other trusts and foundations on topics including IT software and legal matters;
- continued to be active or to convene learning events across our programmes, notably chairing the European Foundation Centre's Diversity, Migration and Integration Interest Group (DMIIG);
- ran several conferences promoting and disseminating the work of the T2A Alliance and presented this work at a number of international conferences;
- brought networks of our funded partners together to learn from each other on all our programmes.

Sharing our broader resources

In addition to sharing intellectual capital in a two-way exchange with those with whom we work, we believe we should share our other resources where we can. Firstly, we have made two programme related investments; first in the Social Impact Bond for reducing reoffending at Peterborough prison (with Social Finance) and secondly in a new human rights centre in London (with Ethical Property Company). We are also using grant funding and staff time to encourage the development of the social investment market. We anticipate making further social investments and also, perhaps more usefully, to use our position to help the sector develop tools to meet the developing interest in this area from mainstream institutions and individuals. Secondly, we enjoy well-serviced offices in central London which we use for a broad range of activity related to our mission, thus ensuring we get better 'mission value' for the cost. During the year we hosted staff from the Corston Coalition, for example, and a range of our other partners used our meeting space for training sessions, team away days and other meetings totalling over 130 in number.

Financial review

The total income for the group, which is all investment income from the investment portfolio, was £2,227,000 (2010 - £1,741,000) and total resources expended were £4,577,000 (2010 - £5,074,000), resulting in net outgoing resources of £2,350,000 (2010 - £3,333,000). The expenditure has decreased from the previous year by 10% though there are still net outgoing resources. This is in line with the strategic decision by the Trustees to spend countercyclically, with expenditure exceeding income, in the near short term. The Trustees keep the long term effect of this under review and will review the strategy fully in 2013. Trustees have not ruled out the possibility of spending down at some future point.

However during the year there were investment gains totalling £6,452,000 (2010 - £17,319,000), resulting in an overall increase in funds for the period of £4,102,000 (2010 - £14,058,000). Net assets at the year end were £77,710,000, a 5.6% increase over the opening balance of £73,608,000. So despite high inflation during the year the real value of the overall fund has been maintained.

The total spend for the group on Social Justice and Grant-making during the period was £4,165,000 (2009 - £4,672,000).

As the group's funds are held as expendable endowments, 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.

The Barrow Cadbury Trust (a company limited by guarantee)

Trustees' report

Year ended 31 March 2011

Investment policy and performance

The investments of the Trust and Fund have been managed since 2008 by Sarasins & 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 meets regularly to monitor the performance.

During 2010/11, Sarasin & Partners achieved a total return (i.e. both investment income and capital growth) of 12.2% on the investment portfolio. This compares to the benchmark return, based on selected indices, of 8.5%. In order to ameliorate the risk of currency fluctuations there are forward currency transactions amounting to 50% of the value of the investments held in foreign currency.

The investment policy is to protect and enhance the real value of the capital and income of the investment portfolio in the long term, as far as this is possible subject to:

- Avoiding investing in companies whose activities conflict with the ethos and values of the Trust and Fund.
- Investing in mission and programme related enterprises which may produce lower returns for the associated risk.
- Strategic decisions to spend capital as well as income in order to achieve strategic objectives.

The Investment Management Committee review the investments regularly to ensure that the ethical criteria are adhered to, and Sarasin & Partners produce an annual sustainability report which compares the investment portfolio against selected ethical and sustainability benchmarks.

Plans for future periods

The Trust will implement its Strategic Plan for 2011/13 and Operational Plan for 2011/12 and intends to build on its achievements to date as a 'Funder Plus'.

The Strategic and Operational Plans can be found on our website www.barrowcadbury.org.uk. The 2011/12 plan has identified 24 operational objectives across the four strategic objectives. Highlights include:

Criminal Justice:

- Strengthen and raise the profile of the T2A campaign to draw attention to the case for vulnerable young adults to be seen as a distinct group requiring targeted interventions.
- Develop the two new priority areas identified for T2A campaign and work ie maturity and localism.
- Ensure the three T2A pilots are operating effectively in terms of governance, leadership and delivery and that the appropriate links are made with the work of the T2A alliance.
- Ensure the T2A pilots outcome evaluation is effectively supported and utilised.
- Work with other grant making trusts and penal reform organisations to take forward the recommendations of the Corston Report on women offenders.
- Support and work in partnership with other organisations with shared goals in penal reform.
- Support grassroots groups working with young adults involved in, or at risk of, involvement in criminal activity.
- Support research that explores and raises awareness of gender specific issues.

The Barrow Cadbury Trust (a company limited by guarantee)

Trustees' report

Year ended 31 March 2011

Migration in Europe:

- Support local groups working with refugees, asylum seekers, undocumented migrants and other disadvantaged migrants to address unmet needs.
- Support regional, national, European and international groups and networks to lobby for long term policy change that ensures that migration policy is socially just and equitable.
- Support research and initiatives that promote a constructive evidence-base on migration.
- Identify the impacts of migration on disadvantaged communities and support effective responses to them.

Poverty and Inclusion:

- Contribute to a body of evidence that will support progressive measures towards social justice and community involvement, while providing counter-arguments against regressive measures that will increase poverty and reduce inclusion.
- Build social capital and enable the voices of those living in deprived areas of the West Midlands to be heard by decision-makers, through developing the capacity and reach of grass-roots organisations.
- Participate in (and provide where appropriate, financial support) anti-poverty and financial inclusion campaigns and networks both at a national level and in the West Midlands.
- Positively influence the thinking of both government and opposition with regard to social justice and equality issues, particularly around issues of structural inequality that result in poverty and exclusion.
- Contribute to the strengthening of philanthropy and development of new forms of social finance and social investment through research and, where practicable, application.
- Contribute, from the perspective of reducing poverty and increasing social inclusion, to the Trust's four cross-cutting themes of racial justice; gender justice; contributing to the independence and diversity of the voluntary sector; and supporting work in the West Midlands.

Organisational development:

- Ensure that the Board is appropriately resourced to effectively govern the Trust and deliver the organisation's objectives.
- Support and develop staff to ensure they are equipped and motivated to deliver the strategy and fulfil their potential.
- Maintain appropriate financial management and investment management arrangements.
- Evaluate and report on performance of the Trust's work to inform future strategy.
- Promote the work of the Trust and its funded partners in order to create a more socially just society.
- Apply the Trust's ethical values to everything it does in order to better achieve our mission.
- The Trust will also further explore opportunities in the social investment asset class for mission related investment.

The Barrow Cadbury Trust (a company limited by guarantee)

Trustees' report

Year ended 31 March 2011

Statement of Trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and the incoming resources and application of resources, including the net income or expenditure, of the group for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and charity 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 group and charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each of the trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Each of the trustees also confirms that he/she has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditors.

Small Companies Exemption

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees and signed on their behalf by:

Ruth Cadbury
Chair

Approved by the Trustees on 10 September 2011

The Barrow Cadbury Trust (a company limited by guarantee)

Independent auditors' report

Year ended 31 March 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE BARROW CADBURY TRUST

We have audited the financial statements of Barrow Cadbury Trust for the year ended 31 March 2011 which comprise the consolidated statement of financial activities, balance sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 43 of the Charities Act 1993 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2011 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; and

The Barrow Cadbury Trust (a company limited by guarantee)

Independent auditors' report

Year ended 31 March 2011

- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 1993.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the annual report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 1993 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, 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.

Catherine L Sayer (Senior statutory auditor)

Date

for and on behalf of Sayer Vincent, Statutory Auditors

Sayer Vincent, 8 Angel Gate, City Road, LONDON EC1V 2SJ

Sayer Vincent is eligible to act as an 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
(Incorporating an Income and Expenditure account)
For the year ended 31 March 2011

	Notes	Unrestricted funds £'000	Endowment funds £'000	2011 Total funds £'000	2010 Total funds £'000
Incoming resources					
<i>Incoming resources from generated funds</i>					
Investment income	2	2,227	-	2,227	1,741
Total incoming resources		2,227	-	2,227	1,741
Resources expended					
<i>Cost of generating funds</i>					
Investment managers' costs		337	-	337	303
Charitable activities					
<i>Social Justice and Grant Making</i>					
<i>Grants agreed pre 2009</i>					
Global exchange		358	-	358	644
Inclusive communities		292	-	292	854
Young adults & criminal justice		296	-	296	961
<i>Grants agreed post 2009</i>					
Criminal justice		1,632	-	1,632	1,151
Migration		881	-	881	545
Poverty & inclusion		694	-	694	514
Other grants payable		12	-	12	3
	5	4,165	-	4,165	4,672
Governance costs	6	75	-	75	99
Total resources expended		4,577	-	4,577	5,074
Net outgoing resources before transfers		(2,350)	-	(2,350)	(3,333)
Transfers					
Gross transfers between funds		221	(221)	-	-
Net outgoing resources before investment gains and losses		(2,129)	(221)	(2,350)	(3,333)
Investment gains - realised		1,039	6,012	7,051	1,202
Investment (losses)/gains - unrealised		(135)	(464)	(599)	16,117
Stamp Duty refund in respect of earlier periods		-	-	-	72
Net movement in funds		(1,225)	5,327	4,102	14,058
Fund balances brought forward at start of period		10,140	63,468	73,608	59,550
Fund balances carried forward at end of period		8,915	68,795	77,710	73,608

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)

Balance sheets

at 31 March 2011

Company number: 5836950

	Notes	Group		Charity	
		2011 £'000	2010 £'000	2011 £'000	2010 £'000
Fixed assets					
Tangible assets	10	50	82	50	82
Investments	11	76,821	73,416	67,921	63,291
Programme related investments	12	18	-	18	-
		76,889	73,498	67,989	63,373
Current assets					
Debtors due within one year	13	494	198	448	179
Short term deposits		1,000	-	1,000	-
Cash at bank and in hand		259	1,005	222	965
		1,753	1,203	1,670	1,144
Liabilities					
Creditors: amounts falling due within one year	14	(932)	(1,093)	(864)	(1,049)
Net current assets		821	110	806	95
Net assets		77,710	73,608	68,795	63,468
The funds of the charity					
Expendable endowment funds		68,795	63,468	68,795	63,468
Funds retained within a non-charity subsidiary					
Profit and loss account		7,661	8,754	-	-
Revaluation reserve		1,254	1,386	-	-
Total charity funds	15	77,710	73,608	68,795	63,468

The financial statements were approved by the Trustees on 10th September 2011 and signed on their behalf by:

Ruth Cadbury
Chair

The Barrow Cadbury Trust (a company limited by guarantee)

Notes to the accounts

For the year ended 31 March 2011

1 Accounting policies

(a) Basis of preparation

The accounts have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and in accordance with the requirements of the Companies Act 2006 and the Charities Act 1993 and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005).

The statement of financial activities and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking, the Barrow Cadbury Fund. The results of the subsidiary are consolidated on a line by line basis. Further details of the subsidiary are given in note 18.

In accordance with the Companies Act 2006 the parent company is exempt from the requirement to produce its own profit and loss account. The total incoming resources for the parent charitable company for the year were £4,068,000 (2010 £1,436,000) and the surplus for the parent charitable company, including unrealised gains on investments, was £5,334,000 (2010 £11,337,000).

(b) Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Interest arising on cash and deposits is accrued in proportion to the period for which funds are deposited. Dividends and interest on fixed interest stocks are recognised when they are declared.

(c) Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered.

Resources expended comprise the following:

(i) The costs of generating funds include the fees paid to investment managers in connection with the management of the charity's listed investments.

(ii) Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all related conditions. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the accounts.

(iii) Direct staff costs allocated to the main programmes.

(iv) Support costs represent indirect charitable expenditure on staff costs and office overheads in order to carry out the grant making activities of the charity. Expenditure is allocated to the main programmes based on the time spent by employees in processing and monitoring grants.

(v) Governance costs comprise the costs incurred which are directly attributable to the management of the charity's assets, organisational procedures and the necessary legal procedures for compliance with statutory requirements.

The Barrow Cadbury Trust (a company limited by guarantee)

Notes to the accounts

For the year ended 31 March 2011

1 Accounting policies (continued)

(d) Tangible fixed assets

Tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

Leasehold improvements - Straight line over the life of the lease

Fixtures and fittings - 33% per annum based on cost

Computer and similar equipment - 33% per annum based on cost

(e) Fixed asset investments

Investments are included in the accounts at their market value as at the balance sheet date. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the period in which they arise.

Programme related investments are valued at cost less any impairments.

(f) Fund accounting

Expendable endowment funds 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.

Designated funds represent amounts that have been earmarked to fund specific activities that contribute to the achievement of the charity's objectives

Unrestricted funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

(g) Cash flow

The accounts do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

(h) Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

(i) Pension scheme

The Trust operates a money purchase pension scheme for eligible employees. Contributions are charged to the statement of financial activities in the year in which they are payable.

The Barrow Cadbury Trust (a company limited by guarantee)

Notes to the accounts

For the year ended 31 March 2011

2 Investment income and interest receivable

	Group	
	2011	2010
	£'000	£'000
Income from listed investments	2,214	1,626
Interest receivable	13	58
Total	2,227	1,684

3 Net outgoing resources for the year

	2011	2010
	£'000	£'000
Net outgoing resources for the year is stated after charging:		
Auditors' remuneration		
Group - for audit	11	15
Of which the Charity amounts to	7	9
Group - for other services	8	14
Depreciation of tangible fixed assets	32	49
Rentals payable under operating leases	212	218
Trustees professional indemnity insurance	1	1
Trustee meeting and travelling expenses	16	31

4 Grants payable by the Charity

Grants payable during the period comprised the following:

Programme	2011	2010
	Number	Number
<i>Grants agreed pre 2009</i>		
Global Exchange	12	16
Inclusive Communities	34	43
Young Adults & Criminal Justice	14	22
<i>Grants agreed post 2009</i>		
Criminal Justice	27	10
Migration	27	12
Poverty & Inclusion	52	19
Total grants paid to institutions	166	122

None of the grants made by the Trust were for individuals; all were institutional grants.

Details about each programme are included in the Trustee's report. Further information is available on the Trust's website at www.barrowcadbury.org.uk

The Barrow Cadbury Trust (a company limited by guarantee)

Notes to the accounts

For the year ended 31 March 2011

5 Social Justice and Grant Making

	Other grants payable £'000	Global exchange communities £'000	Inclusive communities £'000	Young adults & criminal justice £'000	Criminal justice £'000	Migration £'000	Poverty & inclusion £'000	Total 2011 £'000	Total 2010 £'000
<u>Direct costs</u>									
Grant funding of activities	9	147	210	186	463	330	460	1,805	1,783
Research and policy projects	-	143	10	44	833	254	85	1,369	1,498
Direct staff costs	-	13	14	19	95	84	40	265	317
	9	303	234	249	1,391	668	585	3,439	3,598
<u>Support costs</u>									
Management and administrative personnel costs	2	29	31	21	105	93	49	330	498
Property costs	1	16	17	15	78	69	35	231	234
Other support costs	-	10	10	11	58	51	25	165	342
2011	12	358	292	296	1,632	881	694	4,165	4,672
2010	3	644	854	961	1,151	545	514	4,672	

The Barrow Cadbury Trust (a company limited by guarantee)

Notes to the accounts

For the year ended 31 March 2011

6 Governance costs

	Group	
	2011	2010
	£'000	£'000
Staff costs	36	30
Auditors' remuneration		
For audit services	11	15
For other services	8	14
Trustee meeting and travelling expenses	16	31
Trustee training costs	1	1
Legal and professional costs	3	8
	<u>75</u>	<u>99</u>

7 Employees and staff costs

Staff costs during the year were as follows:

	Group	
	2011	2010
	£'000	£'000
Wages and salaries	457	493
Social security costs	51	51
Other pension costs	39	33
	<u>547</u>	<u>577</u>

The average number of employees during the period, calculated on a full time equivalent basis, was:

	2011	2010
Social justice & grant making	6.0	7.0
Support	4.0	4.5
Governance	0.5	0.5
Total	<u>10.5</u>	<u>12.0</u>

During the period one member of staff earned between £80,000 and £90,000 (2010 – no employees earned more than £60,000) - including taxable benefits but excluding employer pension contributions.

Employer contributions totalling £8,711 were made to money purchase pension schemes in respect of this

During the period, £61,261 was paid in respect of the services of the Acting Head of Finance & Administration. (2010 - £159,847 was paid for the services of the Acting Chief Executive and Acting Head of Finance).

8 Trustees' remuneration

None of the trustees received any remuneration in respect of their services during the year (2010 - £nil).

During the year travelling expenses amounting to £7,195 (2010 - £9,277) were reimbursed to, or paid on behalf of, 10 (2010 – 7) trustees.

9 Taxation

Barrow Cadbury Trust is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

The Barrow Cadbury Trust (a company limited by guarantee)

Notes to the accounts

For the year ended 31 March 2011

10 Tangible fixed assets

Charity and Group	Leasehold improvements	Fixtures, fittings and equipment	Computer equipment	Total
	£'000	£'000	£'000	£'000
Cost				
at 1 April 2010 and 31 March 2011	65	111	65	241
Depreciation				
at 1 April 2010	16	86	57	159
Charge for year	5	21	6	32
at 31 March 2011	21	107	63	191
Net book values				
at 31 March 2011	44	4	2	50
at 1 April 2010	49	25	8	82

11 Investments

Investments	Group		Charity	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Investments at market value				
Market value at 1 April 2010	68,768	43,488	58,806	36,972
Additions at cost	43,511	37,219	39,546	32,846
Disposal proceeds	(43,542)	(29,315)	(37,509)	(25,754)
Net investment gains	6,386	17,376	5,481	14,742
Market value at 31 March 2011	75,123	68,768	66,324	58,806
Cash held by investment managers	1,698	4,648	1,597	4,485
	76,821	73,416	67,921	63,291
Cost of investments	66,313	56,358	58,768	47,784

Investments comprise the following:

Listed on a recognised stock exchange

Equities	63,111	54,161	56,122	45,970
Fixed interest securities	9,846	10,136	8,317	9,057
	72,957	64,297	64,439	55,027
Other unlisted securities	2,166	4,471	1,885	3,779
	75,123	68,768	66,324	58,806

All investments are held in the UK except for the following:

Investments listed on a recognised stock exchange outside the UK	38,326	17,907	33,759	15,189
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Included in the investment valuation are forward foreign exchange contracts entered into to ameliorate the risk of any currency fluctuations. At the year end the open value of such contracts showed a loss of £287,000 (2010 - £0)

No single investment comprised more than 5% of the total investment portfolio.

The Barrow Cadbury Trust (a company limited by guarantee)

Notes to the accounts

For the year ended 31 March 2011

12 Programme related investments

	Group		Charity	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Programme related investments	18	-	18	-

In March 2010, Trustees approved an investment of £100,000 in a Social Impact Partnership designed to reduce re-offending rates in young offenders. The first tranche of the investment, £18,002, was made in 2010/11. The investment has been valued at cost.

The future commitments are disclosed in note 16.

13 Debtors

	Group		Charity	
	2011	2010	2011	2010
Due within one year	£'000	£'000	£'000	£'000
Dividends and interest receivable	372	122	317	103
Prepayments	112	73	112	73
Amount due from the Barrow Cadbury Fund	-	-	10	-
Other debtors	10	3	9	3
	494	198	448	179

14 Creditors: amounts falling due within one year

	Group		Charity	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Trade creditors	95	41	89	39
Grants payable	684	789	638	736
Social security and other taxes	19	21	19	16
Accruals	133	241	118	220
Amount due to The Barrow Cadbury Fund	-	-	-	38
Other creditors	1	1	-	-
	932	1,093	864	1,049

The Barrow Cadbury Trust (a company limited by guarantee)

Notes to the accounts

For the year ended 31 March 2011

15 Analysis of charitable funds

	At 1 April 2010	Gains, losses and transfers	At 31 March 2011
	£'000	£'000	£'000
Expendable endowment capital funds	63,368	5,077	68,445
Designated funds	100	250	350
Total Funds of the Parent Charity	63,468	5,327	68,795
Funds retained within a non-charity subsidiary			
Profit & Loss account	8,754	(1,093)	7,661
Revaluation reserve	1,386	(132)	1,254
Total Funds of the Group	73,608	4,102	77,710

The Trust's capital fund was originally settled as an expendable endowment, the income from which, together with capital sums approved by the trustees, may be applied by the trustees for any purpose within the charity's objects.

Designated funds represent funds which the Trustees have agreed to invest in programme related investments (note 17).

16 Analysis of net assets between funds

Group	Unrestricted funds	Endowment funds	Designated funds	Total
	£'000	£'000	£'000	£'000
Fund balances at 31 March 2011 are represented by:				
Tangible assets	-	50	-	50
Investments	8,900	67,589	332	76,821
Programme related investments	-	-	18	18
Current assets	83	1,670	-	1,753
Current liabilities	(68)	(864)	-	(932)
Net assets	8,915	68,445	350	77,710

17 Programme commitments

At 31 March 2011 the Charity had commitments in respect of programme related investment and grants approved for projects and which have not been accrued in these accounts as follows:

	Grants and research and policy payments		Programme related investment payments	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Payable within one year	771	616	19	24
Payable between two and five years	280	426	63	76
	1,051	1,042	82	100

In March 2010, Trustees approved an investment of £100,000 in a Social Impact Partnership designed to reduce re-offending rates in young offenders. £18,002 was invested in 2010/11. In October 2010 Trustees agreed in principle a £250,000 investment in a Human Rights and Social Justice Centre.

The Barrow Cadbury Trust (a company limited by guarantee)

Notes to the accounts

For the year ended 31 March 2011

17 Programme commitments (continued)

In addition to the above, at 31 March 2011 the subsidiary company had financial commitments in respect of

	2011	2010
	£'000	£'000
Payable within one year	5	60
Payable between two and five years	-	46
	<u>5</u>	<u>106</u>

18 Other commitments

Annual commitments under non-cancellable operating leases at 31 March 2011 were as follows:

	Buildings	
	2011	2010
	£'000	£'000
Rental commitments which expire in one to five years	<u>208</u>	<u>208</u>

19 Subsidiary company

The Barrow Cadbury Trust is the parent company of the Barrow Cadbury Fund, a company registered in England and Wales, registered company number 503137. This 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 trustees/directors priorities. A summary of the financial results of the company is shown below.

	2011	2010
	£'000	£'000
Income from fixed asset investments	320	248
Gains on sales of investments	1,556	398
Refund of Stamp duty paid in previous periods	-	72
	<u>1,876</u>	<u>718</u>
Grants and special initiatives	(175)	(117)
Administrative expenses	(118)	(115)
Gift Aid donation to the Barrow Cadbury Trust	(2,161)	-
(Deficit) / surplus on ordinary activities before taxation	<u>(578)</u>	<u>486</u>
Statement of total recognised gains and losses		
(Deficit) / surplus on ordinary activities before taxation	(578)	486
Unrealised (losses)/gains on investments	(648)	2,236
	<u>(1,226)</u>	<u>2,722</u>
Net funds at 31 March 2011	<u>8,915</u>	<u>10,141</u>

20 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 recharges the Barrow Cadbury Fund for its appropriate share of these costs.

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