

**BUSINESS  
IN THE  
COMMUNITY**



**THE PRINCE'S  
RESPONSIBLE  
BUSINESS NETWORK**

# Annual Report 2016

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COMPANIES HOUSE



arc social enterprises at the 2015 AGM meeting  
our President, HRH The Prince of Wales.



Owners of the Troxy meet meet HRH  
The Prince of Wales at the 2015 AGM.



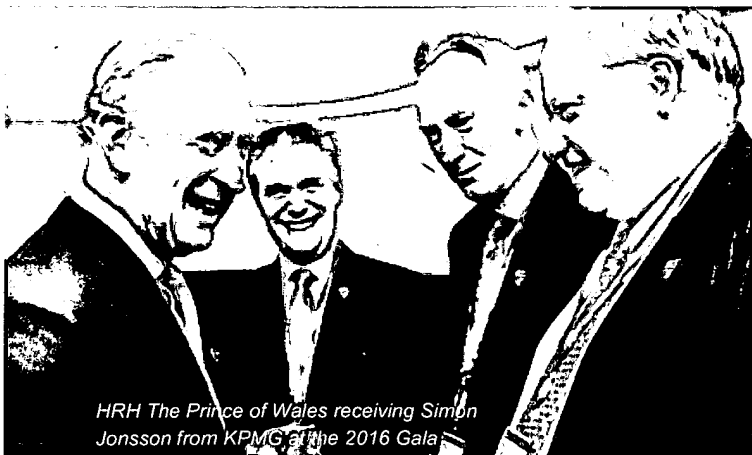
Japanese drummers at the 2016 Gala meeting of  
President, HRH The Prince of Wales.



Mike Burgess, BERG Leadership Team Chair, in the Fujitus innovation zone  
at the 2016 Gala meeting our President, HRH The Prince of Wales.



HRH The Prince of Wales introducing National  
Ambassador 2016, Jayne-Anne Gadhia.



HRH The Prince of Wales receiving Simon  
Jonsson from KPMG at the 2016 Gala.



Business in the Community (BITC) is one of the Prince's Charities, a group of organisations of which His Royal Highness The Prince of Wales is President. BITC's reporting year runs from 1 July 2015 to 30 June 2016.

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# Chairman's Message

It is a pleasure to present my second Annual Report as Chairman of BITC. It has been a busy and challenging year, particularly in view of the recent political and economic turbulence in the UK and around the world. But in these challenging times, the role of BITC has never been so clear - the bridge between business, community and wider society.

Now is the time for business to be bold and decisive, using the responsible business network to address the gulf between communities that has become apparent. Business can and should take a lead, but greater collaboration is needed. Only through collaboration can we - the business community - ensure

that those with the least opportunities have the chance to succeed. This is at the heart of our mission.

There is much to be proud of this year. We celebrate milestone achievements of our most successful programmes - more than £33 million has been leveraged from business to support communities, we supported the creation of more than 3,500 jobs in social enterprises, more than 500 schools have taken part in our school/business partnership programme and this year 24,457 people took part in a ground breaking survey on race equality in the workplace. I am also pleased to see the renewed focus and successes of the environment, marketplace and workplace wellbeing campaigns.

During the year, Scottish Business in the Community became part of BITC, bringing an experienced team as well as opportunities for greater collaboration and impact. At the end of the year, HRH's Mosaic programme, which works directly with young people, departed to join BITC's sister charity The Prince's Trust. In addition, following a strategic review of BITC by McKinsey in 2015, changes to both the operating model and to membership are underway. This will better align the work across England with the campaigning heart of BITC. As I look to the future, I am pleased that BITC is embracing the digital agenda. I chaired a discussion with senior executives from leading technology companies in February to understand



what responsible business will look like in a digital age. This work will continue alongside a review of how BITC can digitalise its operations and engage more widely with SMEs.

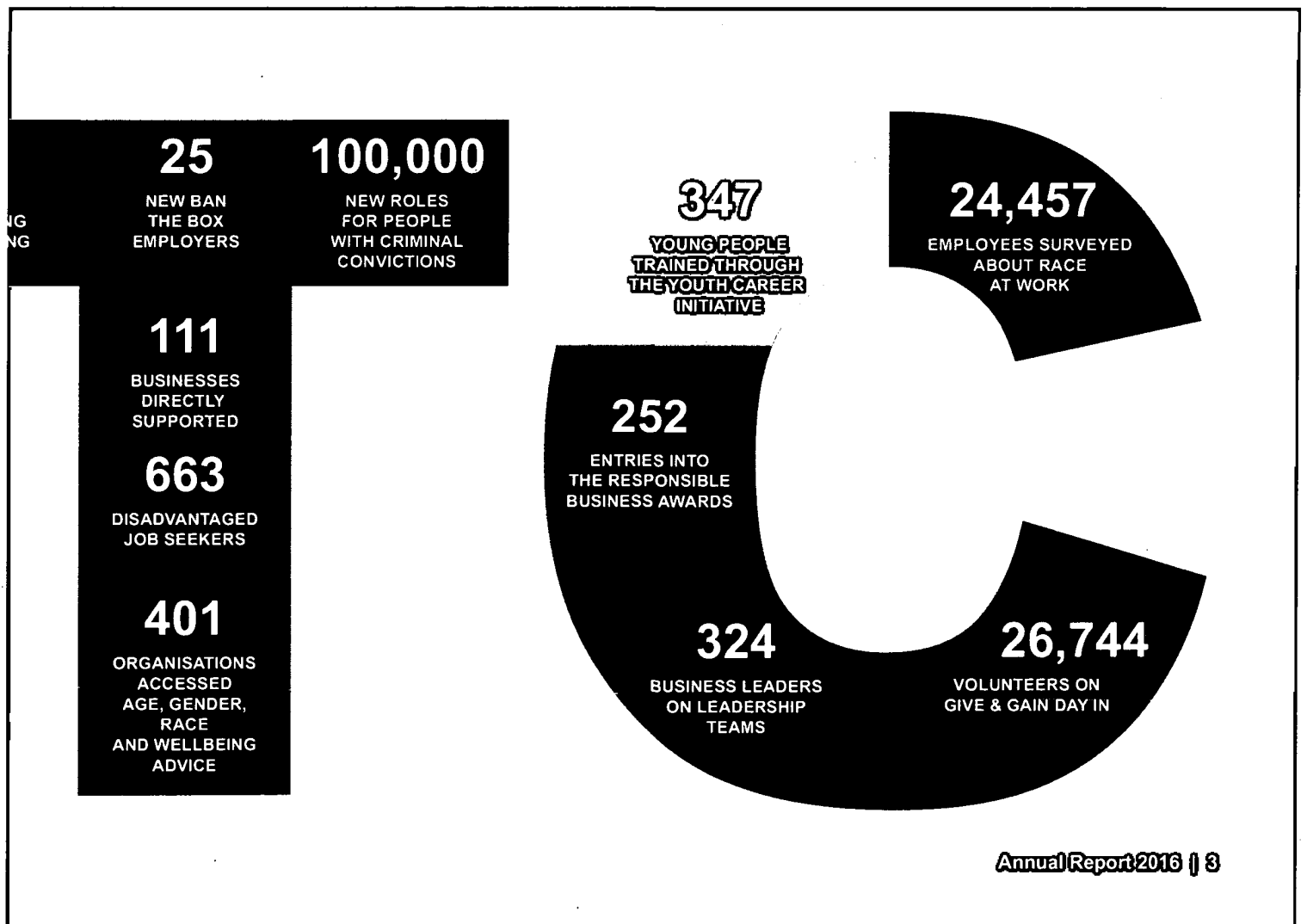
In addition, the devolution of greater powers and funding to city mayors, regional bodies and nations provides opportunities for BITC to work more flexibly and locally; bringing the expertise of the business community and campaigning heart of BITC to bear on local challenges.

I would like to say thank you to Stephen Howard, BITC's outgoing Chief Executive who served for ten years. Much has been achieved during his time, his energy and commitment has steered BITC through a challenging period whilst maintaining the overall impact of the organisation, but as ever the work of BITC continues. I am therefore delighted to welcome Amanda Mackenzie as our new Chief Executive. Formally with Aviva, with a wealth of commercial and charity experience, she will bring valuable insight and expertise to the BITC executive team.



Antony Jenkins, Chairman,  
Business in the Community

*Antony Jenkins*



The Directors of Business in the Community present their Annual Report for the year ended 30 June 2016 under the Charities Act 2011, the Companies Act 2006 and The Charities and Trustee Investment (Scotland) Act 2005 and related regulations. This report includes the Directors Report and the Strategic Report on pages 4 to 55 together with the governance section on pages 56 to 57.

# Business in the Community is The Prince's Responsible Business Network

**BITC focuses on the practical action needed by companies and their leaders to help respond to the enormous economic, social and environmental issues in the world and drive a successful responsible business and a fairer society.**

**BITC is a business led charity with over 30 years' experience and engages thousands of companies, with our core membership running through the spine of all we do. BITC engages, challenges and advises companies that range from small enterprises to global corporations.**

**BITC believes that the prosperity of business and society are tied together and that one cannot succeed without the other.**



**BITC offers a range of practical ways for businesses to work together and take action to help tackle some of the key issues facing society.**

**Environment:** Using our natural resources more sustainably.

**Employees:** Ensuring that age, gender, health and race do not limit an employee's engagement and success in the workplace.

**Education:** Ensuring a young person's success at school and beyond is not determined by their social background.

**Employment:** Helping people overcome disadvantage by increasing access to sustainable, good employment.

**Enterprise:** Creating jobs and vibrant communities by supporting small, local businesses.

# HRH The Prince of Wales

His Royal Highness The Prince of Wales, known in Scotland as The Duke of Rothesay, is President of BITC. BITC is one of The Prince's Charities of which The Prince of Wales is President. The Prince has either personally initiated or supported a number of our leading programmes

The Prince's Leadership Network

The Prince's Ambassadors

The Prince's Seeing is Believing

The Prince's Business Connectors

The Prince's Countryside Fund

The Prince's Business Emergency Response Group



HRH and Duncan Tait, Director and Corporate Executive Officer, Fujitsu, in the Innovation zone at the 2016 Gala



HRH and Peter Mather on stage at the 2015 AGM



HRH meets future leaders in the Fujitsu innovation zone at the 2016 Responsible Business Gala



HRH speaking with Naila Salim, enterprise partner, at the 2015 AGM



HRH, Anton Jenkins and entourage walking towards the 2016 Gala

# The Prince's Responsible Business Network

## Making an impact

With the generous support of its member companies and partner organisations, BITC is making a lasting difference to communities across the UK and around the world. In the last year, 100,000 new roles were made available to people with criminal convictions through the Ban the Box campaign; 24,457 employees shared with us their experiences of race in the workplace, shaping our workplace research and future campaigning; 50 grants totalling £1.3m were given by the Prince's Countryside Fund to support rural communities; and the Youth Career Initiative was recognised for addressing global youth unemployment and creating 347 jobs by winning the prestigious Tourism for Tomorrow People Award. Through the work we do in communities, we also celebrated the 100th high street to receive direct business support; a record 3,580 jobs were created through our support of social enterprise; the 500th school partnership - meaning more than 215,000 pupils have been directly supported by business; and reached an incredible £33.3m contributed directly from business to support 115 places through The Prince's Business Connectors, talented individuals seconded from business and the Civil Service, trained by Business in the Community and placed in local communities of greatest need.

## Mobilising the Movement

Throughout the year BITC convenes the network to support our mission. 227 learning and networking events took place, launching cutting edge research and providing learning opportunities

for senior executives and practitioners. The Leadership Summit took place in December 2015, convened by HRH The Prince of Wales and 2015's Responsible Business of the Year Fujitsu, to bring together leaders and future leaders to celebrate the jobs created through our support of social enterprise and to challenge business to turn ambition into practical action against the backdrop of the Sustainable Development Goals and the Paris climate talks.

The Responsible Business Week campaign - the awareness week for responsible business - mobilises the responsible business movement to share great ideas, inspire action, recognise partnerships and run activities. This year saw hundreds of businesses and member companies take part in debates, engage their employees and stakeholders and share their achievements with their communities under the theme of 'ideas for good get better when shared'. Hundreds of people attended events run by BITC, its members and partners. Thousands of individuals and organisations also joined the conversations online using #RBWeek to share their stories and take part in debates.

## Challenge, Guidance and Advice

BITC works to support its member companies to deliver profitable, sustainable and integrated business strategies which have responsibility at their heart. BITC members have access to research, training and examples of best practice; access to management tools, frameworks and leading

benchmarks; to existing programmes of collaborative action; and all through a dedicated and experienced Corporate Adviser.

BITC's Advisory Service provides bespoke expertise and tools to equip companies to integrate responsible business practices into their business operations. Past projects have included: reviewing the newly developed CR strategy for Camelot; supporting First TransPennine Express to develop their first CR report; working with Heathrow Airport to develop a sustainability collaboration model for the engagement of companies within the airport business community; providing benchmarking services to both Nationwide and Legal & General; as well as numerous other projects.

## The Responsible Business Awards

The Responsible Business Awards capture inspiring stories of business as a positive force for change. Assessed and judged by business, the awards recognise the achievements of business and enable BITC to drive change, encourage innovation and share the best practices that support its mission by showcasing the very best of businesses across the network. In 2016, 252 entries were received and assessed by 250 business peers. 154 companies celebrated their achievement throughout the UK at the Responsible Business Galas in June, with 14 taking the winning accolade at BITC's Annual Responsible Business Gala held at London's O2 in July and attended by 1600 guests.



# Leadership

Leadership has been at the very heart of BITC from its start. By connecting society with the boardroom, BITC has been able to inspire change over the last 30 years. Whilst the requirements of leadership today are very different from those of the eighties, in many ways they are the same. Leaders need to take action to connect their aspiration to support society with their business outcomes.

But in the connected world, in an age of intense transparency, where anyone with a mobile phone can be considered a stakeholder or customer, delivering on those business outcomes is an incredible challenge. Corporate failings show us that when a company is perceived to be in trouble, it's often the leader that is held responsible. Nevertheless these failings also show us that in many cases leaders of these companies were disconnected from their business, society and their stakeholders.

The new normal requires a different type of leader, a connected leader, able to connect their company effectively with external stakeholders, able to engage their business in their vision, and align their corporate purpose with one that makes a positive contribution to society through a successful, profitable business model.

The direct engagement of leaders is a key component of BITC, with initiatives to support leaders at all levels of a company, from the young apprentice as a leader of the future to the CEO. Initiatives are increasingly aimed at developing a connected leader, supporting them with the practical actions, networks and experiences needed to bring about change within their company and in wider society.



*Future Leaders from member companies were invited to attend the Future Leaders Summit in July 2016.*



*Japanese businesses attend a Prince's Seeing is Believing visit led by Fujitsu, as Responsible Business of the Year, in 2016.*



*Stephen Howard, former Chief Executive of BITC, meets Japanese business leaders during a Seeing is Believing visit in 2016.*

**As a long standing member of Business in the Community, we have benefited hugely from the support, networking, leadership and volunteering opportunities available through BITC, as well as being challenged to continuously improve by completing their CR Index.**

**Paul Smith**  
Chairman, Eversheds

### The Prince's Leadership Network

Being part of the Leadership Network as a member of a Leadership Team or Advisory Board enables senior executives from member companies to be part of a group of likeminded senior leaders, to lead the agenda on a particular issue or in a specific area, shape how other businesses tackle responsible business issues and connect with communities impacted by the issue they work to address. At the end of the business year, there were 324 business leaders providing more than 108 days of support to BITC through The Prince's Leadership Network.

### The Prince's Ambassadors

Each year, HRH The Prince of Wales appoints an Ambassador for his network from each region and nation of the UK as well as a National Ambassador. The Prince's Ambassadors are chosen for their leadership in transforming their own businesses and empowering other organisations to deliver on the Prince's priorities in places. Jayne-Anne Gadhia CBE, Chief Executive of Virgin Money, was appointed as The Prince's National Ambassador at the Responsible Business Gala in July 2016, replacing Marc Bolland, Chief Executive of Marks & Spencer, the previous National Ambassador.

### The Prince's Seeing is Believing

The Prince's Seeing is Believing programme is chaired by Vivian Hunt, Managing Partner, UK and Ireland, McKinsey. The Prince's Seeing is Believing is the longest running and most successful programme for business change and leadership development within BITC. The programme has this year taken 15 groups from 234 businesses into communities, focusing on issues such as water stewardship, responsible entrepreneurship, youth employment and diversity in STEM subjects across the UK.

### The Prince's Business Connectors

The Prince's Business Connector programme is a unique leadership development opportunity for employees to learn the skills, behaviours and knowledge that can change the way that businesses and communities interact. By being embedded into a local area, Business Connectors quickly develop the skills required to be a connected leader. Funded by Big Lottery and 46 seconding organisations, it has since 2012 contributed £33.3 million of business support into 115 places around the UK.

### The Prince's Leadership Network

The Prince's Seeing is Believing

**Vivian Hunt**, Managing Partner McKinsey & Company

The Prince's Countryside Fund

**Lord Curry of Kirkharle**

The Prince's Business Emergency Resilience Group

**Mike Still**, Managing Director Client Service UK & Ireland Marsh

Community

**Richard Howson**, Chief Executive, Carillion Plc

Education

**David Soanes**, Group Managing Director, UBS

Employment for Excluded Groups

**John Varley**, Chairman of Marie Curie and Non-Executive Director to the Boards of Rio Tinto and AstraZeneca

Employment & Skills

**Steve Holliday**

Enterprise

**Stephen Leonard**, General Manager, North America, IBM Systems & Technology Group, and Chairman IBM UK Ltd.

Age

**Andy Briggs**, Chief Executive Aviva UK & Ireland Life

Gender

**Helena Morrissey**, CBE Chief Executive, Newton Investment Management

Race

**Richard Iferenta**, Partner, UK Head Challenger Banking, KPMG

Wellbeing

**Peter Simpson**, Managing Director AWS & Chief Executive Anglian Water Group

Environment

**Sir Ian Cheshire**, Chairman, Debenhams

Marketplace

**Jeremy Hicks**, Managing Director, Jaguar Land Rover

International

**Keith Weed**, Chief Marketing and Communications Officer, Unilever

International Tourism Partnership

**Wolfgang M Neumann**, President and Chief Executive, The Rezidor Hotel Group

East of England

**Paul Winter**, Chief Executive, Ipswich Building Society

East Midlands

**Andy Lyon**, Partner, PwC

North East England

**Nick Plumb**, Audit Partner, KPMG

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North West England

**Andrew Harrison**, Chief Strategy Officer, Manchester Airport Group

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South East England

**Frank Nigriello**, Director of Corporate Affairs, Unipart Group

---

South West England

**Suzanne Baxter**, Group Finance Director, MITIE

---

West Midlands England

**David Richardson**, Regional MD, Lloyds Banking Group

---

Yorkshire and Humber

**Richard Flint**, Chief Executive, Yorkshire Water and Kelda Group

---

Scotland

**Jayne-Anne Gadhia**, CBE Chief Executive, Virgin Money

---

Wales

**Steve Hughes**, Group Finance Director, Principality Building Society

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Northern Ireland

**Roy Adair CBE**, Chief Executive, Belfast Harbour Commissioner

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## The Prince's Ambassadors

The Prince's National Ambassador

**Jayne-Anne Gadhia CBE**, Chief Executive, Virgin Money

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The Prince's Ambassador for Scotland

**Mike Still**, Managing Director, Client Service, UK & I, Corporate Practice, Marsh

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The Prince's Ambassador for Wales

**Michael Hayden**, Head of Business and Corporate Banking, Mid and West Wales, Barclays

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The Prince's Ambassador for Northern Ireland

**Dr Rob Hardeman**, Senior Director, Seagate Technology

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The Prince's Ambassador for London

**Gavin Bounds**, COO, America's & EMEIA, Fujitsu

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The Prince's Ambassador for the East of England

**Minnie Moll**, Joint Chief Executive, East of England Co-op

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The Prince's Ambassador for the East Midlands

**Tony Walker**, Deputy Managing Director, Toyota Motor Manufacturing (UK)

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The Prince's Ambassador for North East England

**Heidi Mottram OBE**, Chief Executive, Northumbrian Water Group

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The Prince's Ambassador for North West England

**James Timpson OBE**, Chief Executive, Timpson

---

The Prince's Ambassador for South East England

**Mark Smith**, Chief Executive, The Southern Co-operative Limited

---

The Prince's Ambassador for South West England

**Katharine Finn**, Assurance Partner, PwC

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The Prince's Ambassador for the West Midlands

**Simon Jonsson**, Partner, KPMG

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The Prince's Ambassador for Yorkshire and Humber

**Andy Clarke**, President and Chief Executive Officer, ASDA Stores Ltd

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## The Prince's Seeing is Believing Leaders

**Laura Schwab**, Marketing Director, Jaguar Land Rover leading on youth employment through sport

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**Ian Peters**, Director, Customer Facing Strategy, Centrica leading on supporting vulnerable customers

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**Andy Wood**, Chief Executive, Adnams & Peter Simpson, Chief Executive, Anglian Water leading on water management in the food and drink industry

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**Robin Foale**, Managing Director, Santander Business Banking, Santander & John Vincent Co-Founder & CEO, Leon Restaurants leading on responsible business in high growth SMEs

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**Stuart Crooks**, Chief Technical Officer, EDF Energy leading on diversity in the STEM sector

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**Ichiro Ohama**, Senior Vice President, EMEIA, Fujitsu leading on responsible business within the Japanese business community

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**Simon Vincent**, Executive VP & President, Europe, Middle East & Africa, Hilton leading on employment

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**David Soanes**, UK Country Head, UBS leading on educational disadvantage

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**Andy Clarke**, President and Chief Executive Officer, ASDA Stores Ltd leading on inspiring young talent

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**Suzanne Baxter**, Group Finance Director, Mitie leading on employment

---

**Peter Hagmann**, Technical Director, Nestlé UK Ltd leading on water

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**Andrew Cowan**, Chief Strategy Officer, Manchester Airport Group leading on education attainment and employability of young people in the North West

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**Robert Elliot**, Senior Partner, Linklaters leading on education and employment in Tottenham

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**Steve Hughes**, Group Financial Director, Principality Building Society leading on employability and business-school partnerships in Llanelli

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**Steve Ronald**, Chairman of the Heathrow Community Fund, leading on the inspiring youth programme of Heathrow

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*HRH The Prince of Wales meeting farmers in Yorkshire with the Prince's Countryside Fund in October 2015.*

## The Prince's Countryside Fund

The Prince's Countryside Fund works to improve the sustainability of British farming and the rural communities that support, and are supported by, farming in the UK. Since its launch in July 2010, The Fund has helped more than 200,000 people and has given away over £7.5m in grants to 182 projects across the UK. In 2015/2016, the Fund received its greatest number of grant applications and awarded 50 grants, the highest number in any year so far, giving a total of £1.3m. Projects funded included supporting the village of Bentley, Suffolk, to take ownership of their village services, supporting young farmers to receive training in South Yorkshire and providing emergency funding to support farmers following flooding in Northern England, Scotland and Northern Ireland.

## The Prince's Business Emergency Response Group.

The Prince's Emergency Resilience Group, known as BERG, helps businesses and communities across the UK to prepare for, respond to and recover from emergencies such as flooding, cyber-attacks and civil unrest. Through BERG, larger organisations such as insurance companies and banks are able to coordinate their support to ensure that small and medium



*The Business Emergency Response Groups' drop in centre to support householders access grants following devastating flooding*

sized business owners and are able to recover more quickly following an emergency.

The 2015/16 winter floods saw the activation of BERG in response to the crisis affecting northern parts of England and Scotland. The BERG network signposted to advice and support on insurance, flood recovery and resilient repairs. It also included the provision of resources to assist communities; from mobile advice centres, four-wheel drive vehicles, furniture, flood defence materials, emergency food and toiletries. A joint appeal was run in conjunction with The Prince's Countryside Fund and raised £82,000 for flood affected communities. Since the floods, BERG has been working closely with the government to rollout the £5000 Property Level Resilient grant.

# Working with our members

**F**or over thirty years BITC has worked directly with business leaders, members and partner organisations to build a fairer society and more sustainable future. BITC achieves this mission through collaboration and partnership, and the actions then taken by its member companies. BITC's role is to support and challenge businesses to devise and deliver strategies and operations with responsibility at their heart.

This year, BITC members have been collaborating to address environmental challenges; through the Water Taskforce and the newly launched a Circular Economy Taskforce. Members have been addressing diversity and inclusion issues within workplaces, with more than 200 of them – collectively employing 1 million people - receiving specialist advice. With their support, BITC has produced cutting edge research such as Race at Work, which provides us with a greater understanding of the issues surrounding the under representation of ethnic minorities in the workplace at senior levels.

Through collaborative action in communities since 2012, this year we celebrated the 100th high street to receive direct business support; a record 3,580 jobs that were created through businesses support of social enterprise; the 500th school partnership supported by over 1,000 businesses, 33% of whom are SME's; and reached an incredible £33.3m contributed directly from 46 seconding organisations to support 115 places through The Prince's Business Connectors.

As responsible business becomes the norm within business, the responsible business landscape is growing and becoming more specialised. Companies are learning from their peers in other companies, including from the start up community, as well developing hugely successful programmes delivered at scale of their own such as Barclays' Multigenerational Programme, McKinsey and Company's Work Ready programme, or ArcelorMittal's Ebola Private Sector Mobilisation Group - all recognised in 2016's Responsible Business Awards. In addition, as the global community mobilises behind the Sustainable Development Goals and the

Paris climate change agreement signed in December 2015, the opportunity for business to embed truly sustainable business models has never been greater.

With this in mind, BITC is evolving its way of working, with guidance from a member reference panel, to ensure we continue to achieve our mission.

BITC will make it easier for companies to share their knowledge, expertise and network. BITC will simplify the ways in which member companies are able to access advice, support and services from corporate advisors, advisory services, knowledge experts and access the tools and benchmarks available to companies.

As BITC embraces the digital agenda, it will campaign on what it means to be a responsible business in the digital age, as well as digitalize its operations by developing platforms to enable the organisation to reach a wider community of small and medium sized enterprises, sharing the knowledge and expertise of its core membership across its expanded network.

## Case study: Boots UK

Boots, the UK's leading pharmacy-led health and beauty retailer, is one of the founding members of BITC. With over 2,500 stores in the UK, Boots UK is at the heart of the high street, committed to providing exceptional customer and patient care in the communities it serves. Following the economic downturn in 2008 and with the emergence of online shopping, Boots UK recognised the need for high streets to reinvent themselves and was keen to work more closely with local partners to support local vibrancy and economic growth.

BITC was a natural partner for Boots UK; the joint efforts of both organisations resulted in the development of the Healthy High Streets programme focused on revitalising high streets and engaging large businesses in their local communities.

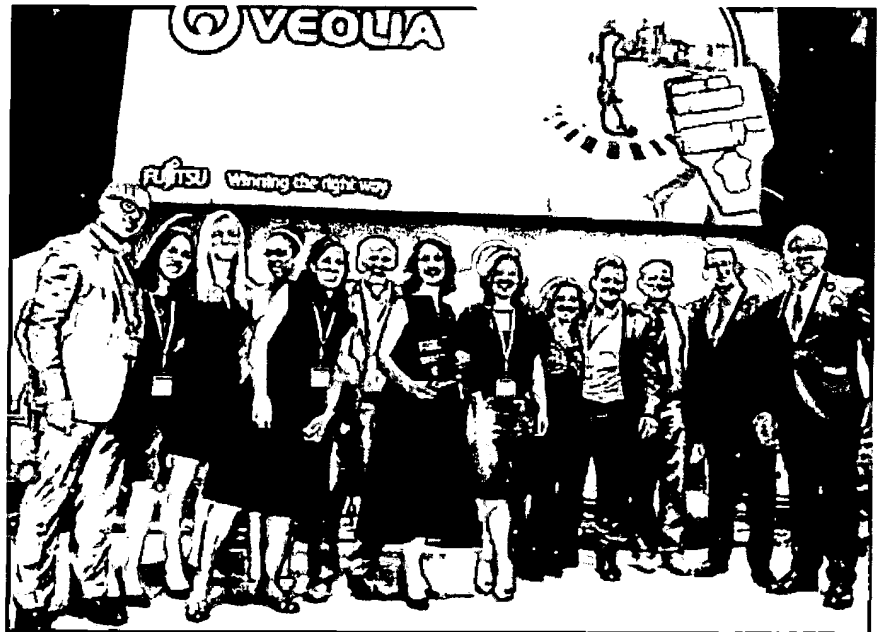
In 2016, the programme welcomed its 100th Healthy High Street and is working to ensure these towns and our business partners have a sustainable local partnership model, fit for the future. High streets are adapting to the changing needs of customers, and through the Healthy High Streets programme Boots UK has been able to provide colleagues with the confidence and skills they need to get involved locally. Boots UK is demonstrating the impact its leadership, local insight and participation of colleagues has on better decision making, business performance and ultimately the confidence it has in the UK's high streets and town centres.

In addition, Boots UK has gained insight and practical learnings from the Healthy High Streets programme and embedded them into the business.



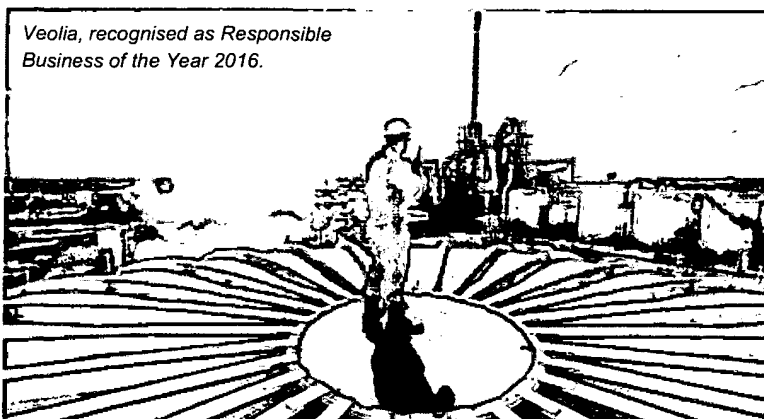
# Responsible Business of the Year 2016

The resource management company Veolia provides services that benefit the UK population through recycling collection and delivery, water treatment and management, low carbon and renewable heat and electricity, and by providing new materials to industry.



## Veolia: Resourcing the world

Veolia has gone through a transformational change to convert itself from a waste management company to resource management company. Veolia saw limited natural resources as a key future challenge. Focusing on this challenge it reimagined waste as a commodity, changing its business model to take forward circular economy principles, creating new revenue streams and open up new markets in the process. This means that it now saves more carbon than it emits, has generated £158.5m in revenue from selling materials derived from waste, £344m from services that reduce customers' environmental impacts, while more than £50m has been generated by the company from selling energy and fuel recovered from waste.



Veolia, recognised as Responsible Business of the Year 2016.

**Duncan Tait, Director and Corporate Executive Officer, Fujitsu. Winner of Responsible Business of the Year Award 2015 and Chair of the judging panel said:**

**"Transformation requires brave leadership and the CEO of Veolia clearly lives and breathes responsible business with an energy and passion that is not only transforming the business, but the entire sector. Their approach to responsible business has shaped their new business model and drives both the way their people behave and their commercial strategy resulting in a 7.69% increase in UK profits from 2014 to 2015."**

# Inspiring business to improve society through purpose-driven brands

**B**ITC believes that long-term commercial success is best delivered through purpose driven products and services – ones that place purpose alongside profit and give more to society than they take – and through the building of trust with stakeholders by behaving in a fair, transparent, convenient and inclusive way.

The products and services that companies provide have huge untapped potential to create a fairer society and a more sustainable future. With a shared global vision through the Sustainable Development Goals and the Paris Climate Agreement, business needs to play its part by developing truly sustainable business models with responsibility at their heart.

If companies are able to harness the commercial power of their business to create, market and sell products and services that improve society at the same time as delivering profits, they will thrive in the 21st century marketplace.

BITC's Marketplace Leadership Team seeks to inspire businesses to improve society through purpose-driven brands and over the past year has been collecting examples of companies embedding purpose into their brands. In September 2016, the Marketplace team published a *Purpose Toolkit*.

## Case Studies

### Nationwide: Cancer Support

Nationwide used a longstanding charity partnership to create a specialist service for customers with cancer, improving its support to vulnerable customers, increasing its reputation and improving employee engagement.

### GSK: Chlorhexidine project

A partnership between GSK and Save the Children has led to the development of new products, such as chlorhexidine antiseptic gel for cleaning umbilical cords, which are improving child health in the developing world.

### IBM: World Community Grid

To demonstrate the effectiveness of grid computing, IBM created World Community Grid, allowing humanitarian organisations can use this new technology to carry out research.

### Sodexo: Green & Lean

Services company Sodexo formed an innovative partnership with conservation charity WWF to support its Livewell programme, helping encourage businesses and policy-makers to facilitate the adoption of diets which are both healthy and sustainable

### HEINEKEN: Moderate Drinkers

Recognising the risks that alcohol misuse present to the success of its entire industry, HEINEKEN uses its brand to promote moderate drinking to push shifts in consumer attitudes and behaviour.

### Jaguar Land Rover: The XE

Jaguar has created a vehicle that combines a low-cost of ownership and reduced CO2 emissions with a great driving experience.

### Anglo- American: Recycled platinum

Mining and minerals company Anglo American has introduced recycled platinum to its supply chain, giving customers the best of both worlds - security of supply and ethical sourcing credits.

### Danone Nutricia: Weaning Plan

Danone Nutricia created a valuable guide to weaning, making its leading Cow & Gate brand more relevant to its consumers, and helping parents navigate a tricky time in their babies' lives.

### M&S: Plan A

M&S is working to weave social and environmental benefits into all of its products over time. It's what M&S customers expect, and it's an opportunity to grow market share and develop better ways to do business.

# Environment

The past year has seen landmark agreements made by the global community - bringing social, environmental and economic issues together to provide a powerful driving force towards a fairer society and more sustainable future for all. The Sustainable Development Goals highlight how social and environmental challenges go hand in hand, while the COP21 Climate Change agreement signed in Paris gives a renewed focus on the critical importance of redesigning our economy to move towards zero carbon and resilience to climate impacts within an accelerating fourth industrial revolution.

In the context of a sluggish global economy and an increasing need to tackle shared social and environmental challenges collaboratively, BITC has refocused its environmental campaign to promote *smart growth* - encouraging businesses to grow in a way that makes the best use of resources, nurtures the ecosystems we depend on and tackles climate change. Our purpose is to inspire action leadership that turns environmental challenges into opportunities for new jobs and skills, builds resilience into key value chains

and leverages systemic change that multiplies the positive impacts business can have. We have been delighted with the enthusiasm that our new approach has received and the opportunities we have had to work with our members, Government and a range of trade bodies and NGO partners to address key challenges together.

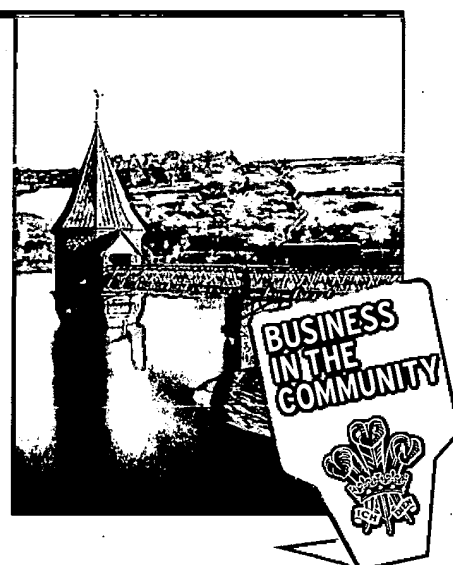
In July 2015 Stephen Farrant was appointed as Executive Director Environment and Market Solutions and in September 2015, Gudrun Cartwright was appointed as Environment Director. They have been working closely with Sir Ian Cheshire who has taken on the role of Chair of the Environment Leadership Team, the other business leaders on the team and our taskforces, to drive progress towards a clear vision for future success. We are extremely grateful to all of them for their drive, energy and commitment. With a consolidated programme of work, plans for growth and a real interest from business to work together to drive practical action that achieves real change, there is a much to be proud of. The environment programme has engaged 327 member companies, doubling its 150 target for 2016 and now has more than 30 companies taking

leadership roles to drive our reach and impact.

In partnership with the UK Department for Environment, Food and Rural Affairs (DEFRA) BITC has developed a number of initiatives led by BITC's Water Taskforce. The report *Smart Water; a prosperous future for the food and drink supply chain* was the culmination of a year-long programme to support the industry with water stewardship and was launched in March 2016 by HRH The Prince of Wales. This programme has been renewed for 2016/17 and with additional support from Corporate Partners, is enabling BITC to support innovative ways to engage agricultural supply chains for better land management to promote the health of water, soil and wider ecosystems. BITC also worked with Defra and a range of partners to test the feasibility of using surface water drainage charges to incentivise the uptake of sustainable urban drainage schemes in Manchester schools and will be looking to build on this study to test the ideas further in Manchester and beyond, with business and wider public sector bodies over the next few years to build the resilience of cities to flooding and drought.

## Case study: Addressing Manchester Schools Water Challenges

Across Greater Manchester, there are over 1,000 schools paying collectively over £4.3m in annual surface water charges to United Utilities. With funding from DEFRA, BITC and its partners explored ways to encourage the uptake of Sustainable Draining Systems (SuDS) through the reduction of water drainage charges. A reduction in surface water run-off into United Utilities drainage systems, would subsequently move schools down one charging band, and in turn save over £2m which could be reinvested to cover the costs of SuDS measures in the short-term and educational benefits in the medium term. The findings of the pilot project suggest that there is potential for savings for schools and an area-wide roll out is being further investigated.







*Business leaders attend a Prince's Seeing is Believing visit in Cumbria to understand water challenges in October 2015.*

BITC's International Tourism Partnership (ITP) has also been working with members on critical environmental challenges and has developed the hotel water measurement initiative (HWWI), similar to the Hotel Carbon Measurement Initiative (HCMI) used in hotel properties around the world. The new HWWI was launched during World Water Week in August 2016.

*Smart growth in the Circular Economy* was published at BITC's 2015 AGM

and focused on realising business opportunities from unlocking new value from better resource management. This led to a HRH The Prince of Wales meeting business leaders and partners in March to explore how the circular economy could be brought to life and laid the foundations for the development of a new business taskforce on the circular economy which was launched at the 2016 Responsible Business Gala.

BITC continues to support the work of the Royal Household as assessor of

the sustainability for holders of Royal Warrants, assessing 216 companies in the last year. A Royal Warrant of Appointment is a mark of recognition of those who have supplied goods or services to the Households of HM The Queen, HRH The Duke of Edinburgh or HRH The Prince of Wales for at least five years, and who have an ongoing trading arrangement. There are around 800 current Royal Warrant Holders.

## The Asda Environmental Leadership Award, Winner 2016: Whitbread

Hospitality company Whitbread is tackling climate change and making savings through two new environmentally friendly building projects, the Costa Eco-Pod and the Hub hotel, from Premier Inn.

<http://www.bitc.org.uk/our-resources/case-studies/whitbread-costa-eco-pod-and-hub-premier-inn>



# Employees

**T**here are an estimated 31.6 million employees in the UK public and private sectors out of an estimated UK population of 65 million. We live in a hugely diverse country, but the reality is many of the employees in our communities face inequalities preventing their success in the workplace.

In the UK, for every £1 earned by a man, a woman earns 81p. One in eight of the working-age population is from a Black, Asian and Minority Ethnic (BAME) background and yet only one in ten are in the workplace. Older workers are now more active in the labour market, but with an aging population and reducing financial entitlements, helping older workers remain in work has to be a priority. Moreover, employees are facing increasing health and well-being challenges - one in four people will experience mental health problems in their lifetime.

Preventing inequality in the workplace not only enables individuals to fulfil their potential, but leads to greater community cohesion and contributes to the productivity of the economy, by making use of all the talents on offer.

During the past year, BITC had 401 engagements for specialist advice with over 200 organisations between them employing around 1 million staff, to provide support on diversity and inclusion issues. But there is much more that business, government and employees themselves can do to address inequality.

## Race

Our race equality campaign continues to support employers to ensure that there is a more balanced representation of BAME people at all levels within the workforce, with role models visible to the next

generation of talent in the UK. Only 1 in 16 in a top management position in the public or private sector is from a BAME background.

By offering specialist advice and support, producing ground breaking research and challenging employers; we hope to increase the number of BAME people in senior roles, to support BAME progression in the workplace and ensure recruitment processes are free from discrimination and racial bias.

In November 2015, we published research following a survey of 24,457 employees in the UK about their experiences of race in the workplace. It showed that BAME people are more likely to enjoy their work and have far greater ambition than their white colleagues, racial harassment and bullying within the workplace is prevalent, many UK employees do not feel valued or inspired, and are not comfortable talking about race at work.

## Gender

There were 1.1 million more women in the UK than men according to the 2011 census, yet women still face multiple barriers to equality in the workplace. This must be addressed through greater workplace transparency, by transforming organisational cultures and tackling occupational segregation.

The UK has seen increased government action. From 2018, all companies with more than 250 employees will be required to publish information on their gender pay gap in addition to requirements introduced in 2015 to publish the gender diversity of company boards. This has led to increased demand from member companies for support on how to measure and understand their pay gaps and build inclusive leadership behaviours.



Our gender equality campaign continues to build on its landmark *Project 28-40* research, which resulted in the campaign mantra: 'Don't fix the women, fix the

workplace'. This ground-breaking research highlighted the problems of treating women as one homogenous group, and challenged employers to recognise the diversity of women. In response, the campaign launched a photography project in 2016 *Same But Different*, which challenges employer and media perceptions of working women and celebrates those women whose voices are least heard. The *Same But Different* portrait exhibition will launch in the build-up to International Women's Day 2017.

In addition, BITC continues to recognise outstanding companies through its gender equality awards and *The Times Top 50 Employers for Women*.

## Wellbeing

Our workplace wellbeing campaign ensures that employee wellbeing remains central to future business success and supports healthier, happier and more productive employees. This is achieved by offering a specialist wellbeing advisory service, sharing best practice and campaigning to raise awareness of wellbeing issues.

As mental health has risen up the social and political agenda, we responded by working in collaboration with business, the public sector and charities to tackle the stigma of mental health at work. In February 2016, we published new research about the transformational potential of role of line managers in unlocked employee mental wellbeing and productivity. Furthermore, in May 2016 we launched a collaborative project with business and some of the sector's

**proud to support**

**time to change**

let's end mental health discrimination

leading campaigners to run a national survey on employee mental wellbeing. The survey outcomes are due to be published later in 2016.

## Age

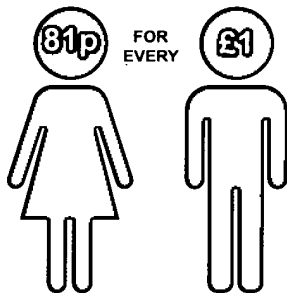
Our age at work campaign has continued to build on its ground breaking Missing Millions research series, providing advice and toolkits for employers to take action to prevent early exit of older workers from the workforce, support later life working and support intergenerational workforces.

Under the leadership of Andy Briggs, CEO of Aviva UK Life, the leadership team continues to grow, and has entered into a partnership with the Centre for Ageing Better to collaborate on the identification and testing of what works to recruit, retrain and retain older workers.

**SUPPORTING AROUND  
1 MILLION  
EMPLOYEES**

**401** ENGAGEMENTS  
FROM 200  
ORGANISATIONS

**WOMEN EARN**



**A MAN EARNS**

**1** MILLION  
PEOPLE  
AGED **50-64**

**HAVE BEEN MADE  
'INVOLUNTARILY WORKLESS'**

**24,457** SURVEYED  
ABOUT RACE

## Awards Case Studies

### Championing an Aging Workforce Award, Winner: St Leger Homes of Doncaster

St Leger Homes' older workers are supported to retrain and work flexibly so that individuals are not forced out of employment.

### The Bupa Wellbeing at Work Award, Large Winner: Unipart Group

Unipart Group has increased employee engagement, reduced absence, and built their reputation for safety through its new strategic Wellbeing programme, Unipart Workwell.

### The Bupa Wellbeing at Work Award, Small Winner: North Star Housing Group

North Star Housing Group dramatically increased employee wellbeing, engagement and business surplus by introducing new ways of working and giving staff a greater say in how the company is run.

### Gender Equality Game Changer Award, Winner: Southbank Centre

Taking place at six locations across the UK and 15 cities across the world, the Southbank Centre incorporated talks, discussions, exhibitions markets and workshops to celebrate women and help achieve gender equality globally.

### Race Equality Award; Transparency, Monitoring & Action Award, Winner: Teach First

As Teach First strives to increase its BAME intake for future years, the Graduate Recruitment (GR) team was recognised for its efforts to monitor and analyse key recruitment trends, ensuring that it is attracting and recruiting candidates from diverse backgrounds.



# Connecting Communities



Young people and volunteers taking part in the Give & Gain Day campaign in 2016.

We all live, work and socialise in a community. Be it a local, national or international community there are many ways that individual citizens, employees and business can contribute. Bringing communities together can be a real challenge, but when they do come together, the results can be astounding. Since 2012, BITC with the support of 46 seconding organisations, has been bringing communities together through The Prince's Business Connector programme. Business Connectors are

talented individuals seconded from business and the Civil Service, trained by Business in the Community and then placed in local communities of greatest need. Their goal is to create new levels of ongoing and sustainable support for communities as well as generate a long-term culture change in those communities.

An incredible £33.3m has been contributed directly from business to support 115 places since 2012. For every £1 of National Lottery funding received,

£9.66 was put back into communities.

The Prince's Business Connectors have helped organisations in communities receive support a total of nearly 10,000 times.

Collaborative action by BITC's members does not stop in those 115 places. 100 high streets across the UK are receiving direct business support through the Healthy High Streets programme and more than 500 schools are partnered with business through Business Class.

**The Business Connector has made a very strong impact and carried out his role in a much more visible and effective way than anyone else I have seen carrying out similar work over the last decade. His work connecting the public, private and voluntary sectors is now making a tangible difference to communities in Dudley.**

**Ian Austin, MP for Dudley North in reference to the work undertaken by Andy Mullaney, Business Connector for Dudley, who is on secondment from Lloyds Banking Group.**



LOTTERY FUNDED



*Delegates at the Big Connect in June 2016*

Companies that are making a measurable difference to communities through an integrated and strategic approach to community investment can apply to be recognised with CommunityMark. The CommunityMark is the UK's only national standard that publically recognises leadership and excellence in community investment. Three companies renewed their status in 2016, and one company obtained it for the first time, 34 companies now hold the CommunityMark.

In addition, BITC's Give & Gain campaign, which encourages employees to volunteer their skills to support communities, in 2016 celebrated 26,744 employees volunteering in 30 countries, supporting 216 community organisations, and providing 133,720 hours of time. In the UK, 18,435 employees provided 92,175 hours.



*HRH The Prince of Wales meets his Business Connectors in Redcar in February 2016*

## Case study: Creating new partnerships in Cumbria

Jane Wilson, Business Connector for Whitehaven and Workington (seconded from United Utilities), hosted a cross-sector networking event in April 2016. West Cumbria Together allowed business and the voluntary sector to build stronger links across the community, with the aim of tackling long term deprivation issues in



*Delegates at the cross sector networking event in Cumbria*

the area. Over 130 representatives – drawn from more than 80 of West Cumbria's business, voluntary and public sectors – attended the event. On the day, 60 written commitments were made for future working partnerships across West Cumbria. These ranged from the greater sharing of information, to the provision of work placements for the long-term unemployed. Jane secured regional press coverage for the event, including a business feature in Workington's Times & Star, and one example of a new partnership saw a senior figure from a mattress manufacturers agree to commit accountancy skills from his team to a local charity. Watch a video outline of the day here: (<https://vimeo.com/165508409>)

## Case study: #DudleyHour

Dudley Business Connector, Andrew Mullaney, seconded from Lloyds Banking Group piggy backed on the local #Dudleyhour twitter campaign, which brings together local business owners and community groups across the Black Country, to secure delegates for a networking event led by Synergy, providing opportunities for business and community groups to come together and support the local area.



# Education

**P**reventing social background predicting a young person's success at school and beyond is the driver of BITC's education work. Educational disadvantage is one of the key challenges facing the UK today, with increasing polarisation between those young people who succeed at school and beyond and those that do not. 3.7 million UK children remain in poverty, UK schools serving high income communities have a higher proportion of young people participating in apprenticeships than those serving low income communities, and even though the numbers of NEET (Not in Education, Employment or Training) young people has decreased significantly over the last four years, young people from poor families are twice as likely to be NEET than their affluent peers.

BITC is clear that responsible businesses have a key role to play in levelling the playing field and ensuring that all young people, regardless of social background, build successful working lives. Business can contribute by building long term school partnerships, providing experiences of the world of work, supporting school staff and enhancing the curriculum, which can make a lasting impact on the attainment and employability of young people.

BITC's focus is on schools in most need of support. Of the schools participating in Business Class, BITC's school partnership programme: 80% have an above average number of pupils eligible for free school meals; 57% are in the 30% most deprived areas of the country; and only 35% are achieving GCSE results above the national average. More than 500 UK schools have now been supported through Business Class, reaching over 230,000 young people.



The report *Destiny Should Not Be Determined by Demography* was launched at BITC's Education Symposium in November 2015. The report, that includes responses from almost 4,000 young people, 100 business and 100 Schools, found that young people in schools partnered with business are more likely to make a successful transition from school to work.

Collaboration and partnerships are central to BITC's future approach. Partnerships in Wales are delivered through Careers Wales with investment from the Welsh Government. Barclays' LifeSkills programme for schools is delivered by BITC in Wales and from 2016 in Scotland. Careers Lab, born out of a unique collaboration of employers to provide in-school careers education from

<b>60518</b>	<b>SCHOOL PARTNERSHIPS ESTABLISHED</b>	<b>63</b>
<b>PARTNERSHIPS &amp; 17 CLUSTERS WITH CAREERS WALES</b>	<b>213,065</b>	<b>ACTIVE CLUSTERS</b>
<b>YOUNG PEOPLE BENEFITTED</b>		<b>IN ENGLAND</b>
<b>1,000</b>	<b>167,722</b>	<b>HOURS GIVEN GENERATING OF IN-KIND SUPPORT</b>
<b>24,016</b>	<b>7456</b>	<b>YOUNG PEOPLE SUPPORTED WITH CAREER ADVICE FROM BUSINESSES 50</b>
<b>DAYS OF VOLUNTEER TIME</b>		



business volunteers is now delivered across the BITC network. In March 2016 BITC was jointly awarded funding with Career Ready to support young people in areas identified by the government's Careers and Enterprise Company as 'cold spots' – areas where young people have limited access to quality employer engagement. Furthermore, in communities across the UK, Business Connectors are working to broker connections that support education outcomes in the communities they are based.

In July 2016, The Prince of Wales' successful Mosaic initiative that works

to inspire young people from deprived communities merged with BITC's sister charity, The Prince's Trust. In its new home it can work more closely with Prince's Trust programmes designed to help disadvantaged young people to overcome their barriers and move towards education, employment and training.

To shape the wider education debate, BITC is a founder member of the Fair Education Alliance, a coalition of organisations from across education, charities and business working to tackle educational inequality, building a fairer education for all by 2022.



Looking to the future, BITC will build on its existing partnership approach to provide greater to support not only to young people but also to schools and teachers. One of the biggest areas of challenge that our schools face is the recruitment and retention of teachers.

## Education Award Winner, Glasgow Caledonian University

11,000 students from some of Glasgow's most deprived areas had their aspirations boosted and prospects improved thanks to Glasgow Caledonian University's Caledonian Club project.

<http://www.bitc.org.uk/our-resources/case-studies/glasgow-caledonian-university-caledonian-club>



# Enterprise



*The social enterprise market at the 2015 AGM*

**J**ob creation and supporting small businesses and cultural organisations in local communities is at the heart of BITC's enterprise work. This is achieved through programmes that bring the expertise and knowledge of member companies to local organisations or directly to small businesses through

business skills, access to resources and supply chain opportunities.

The last year saw the arc programme meet its jobs target - more than 1,000 jobs created in West London - set as a legacy to the London 2012 Olympic Games - in addition to 1,000 jobs created in East London the previous year. The arc programme also saw its first expansion outside of London

to Yorkshire with the support of corporate partners Asda and Interserve, with a further additional 1,000 jobs target for the area to be achieved by 2020.

Healthy High Streets continues its expansion, started in 2014 it has now met its target of supporting 100 high streets. The programme supports high streets all over the UK with potential

## Case Study: Gasworks Dock Partnership

Gasworks Dock Partnership (GDP) joined the arc programme in June 2012, with an ambitious vision to regenerate Coney Dock, a 2.5 acre derelict wasteland and eyesore in East London, into an inspirational and unique space. The plans for the site range from largescale landscape design through to establishing multiple social enterprises, educational and cultural facilities.

arc matched Marcus Mackenzie, a Partner at Freshfields, as an independent advisor to support GDP's co-founder, Simon Myers, with his regeneration plans as it grew from being a start-up.





for growth and that have established or are establishing local partnerships. Corporate partners collaborate with the local high street organisations - sharing their skills and expertise to increase footfall, reduce the number of vacant units and create jobs. 400 business champions are now active on their local high streets.

The UK arts and culture sector is a key part of sustaining vibrant communities as it creates employment and enriches the quality of people's lives. That is why BITC is developing plans to mobilise the business sector to support local arts and cultural organisations to innovate, grow and be financially sustainable and fit for the future.

Over the next three years, the Enterprise campaign will support the creation of 5,000 jobs; the arc programme will become fully operational in Yorkshire; and a nationwide digital platform is in development to accelerate the impact of the programme.

In addition, a "Buy Social" programme building on the success of the Access Pledge and Access the Buyer initiatives will be developed in partnership with Social Enterprise UK.



## Award Case Study: The Experian Building Stronger Communities Award, in recognition of Sir John Peace, Winner, 2016: Investec

Beyond Business is a social enterprise incubation programme run by specialist bank and asset manager Investec in partnership with the Bromley by Bow Centre. The programme nurtures east London businesses which have a positive social impact.



**100 HIGH STREETS SUPPORTED**

**£11.2M SAVINGS TO THE STATE**

**£89.8M GROSS VALUE ADDED TO THE UK ECONOMY**

# Employment

**A**ttracting talent and retaining a diverse workforce has never been more top-of-mind for businesses looking to grow. BITC's employment work helps companies to identify and remove barriers in their recruitment practice; unlocking huge amounts of talent that is often overlooked.

The Future Proof campaign, launched during the year and backed by the City & Guilds Group, aims to break down the barriers in recruitment and create quality accessible jobs for all young people. Since launching, BITC has assessed over 80 companies' recruitment practices to identify how they can make them accessible to all young people. In the coming year, BITC will bring the campaign to Greater Manchester and West Yorkshire; engaging businesses on breaking down barriers to employment for young people at a local level.

BITC with the support of City & Guilds Group, created the Youth Employment Framework a long term strategic approach to employing and retaining young people. Based on the three elements of employment - Inspire, Hire,

Grow - the framework brings everything together in one place, connecting a company's workforce planning with a young person's pathway to employment. In addition, BITC has developed a range of free resources, informed by the views of over 4,000 young people and over 230 company members, to make companies' entry level roles accessible to the next generation.

Now in its third year, the Ban the Box campaign is opening up job opportunities for the 10 million people in the UK with

a criminal record. Support has continued to grow over the past 12 months and a further 25 companies have signed up, including Virgin Trains, Cambridge University Press and the Civil Service. BITC has also begun to look at the various ways businesses can tap into the wide range of talent on offer amongst the ex-military community, through a new project with the Royal Foundation of the Duke and Duchess of Cambridge and Prince Harry.

Yet for some people facing multiple,

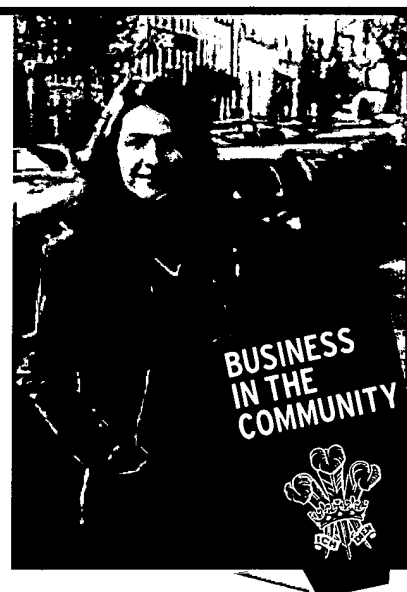


Panellists at BITC's Employment Summit held in February 2015.

## Case study: Aygun's story

In 2012 Aygun had to flee her home country and seek refugee status in the UK. She lived in a hostel in Birmingham whilst she waited for her application for asylum to be processed. The whole process took two years, and once she was finally given her work permit she struggled to find employment because she didn't have any work experience in the UK, despite having a degree in Marketing.

She came across BITC's Ready for Work programme in 2015 and was given a two week work placement at M&S in the visual merchandising department. She enjoyed her time at M&S and was delighted when she was offered a three month contract. Luckily a full-time role popped up at one of M&S's flagship stores and her application was successful. Aygun credits the Ready for Work programme with rebuilding her confidence. She is happy again now and feels positive about the future.



**"Thanks to Players of the Peoples Postcode Lottery, supporting young people into employment over the past year through Ready for Work".**



complex barriers, such as experience of homelessness, time spent in statutory care and long-term unemployment, business intervention is vital to accessing and sustaining employment. BITC's national employment programme, Ready for Work, aims to provide disadvantaged jobseekers with the experience and skills they need to gain and sustain work. The

four-step programme supported 330 people into employment in last year and is on track to meet its overall target of 4,000 people into work by the end of 2016.

Finally, as the UK labour market continues to move towards more flexible, less secure forms of employment, it's not

just access to employment that counts but the quality of jobs on offer. Through its Beyond Pay Inquiry, which 11 employers took part in last year, BITC has begun to identify the steps businesses can take to tackle low-income employment and support their most vulnerable employees.

**100,000** NEW ROLES FOR PEOPLE WITH CRIMINAL CONVICTIONS  
**4000** YOUNG PEOPLE SURVEYED

**111 BUSINESSES** DIRECTLY SUPPORTED  
**663** DISADVANTAGED JOB SEEKERS

**80 EMPLOYERS** REVIEWED RECRUITMENT PROCESSES

**25** NEW BAN THE BOX EMPLOYERS

**347** YOUNG PEOPLE TRAINED THROUGH YCI

# The Prince's Responsible Business Network around the UK

## In Cymru (Wales)

BITC Cymru supports over 200 companies in Wales to manage, measure and communicate their responsible business practices and make a positive difference to the economic, social and environmental challenges Wales faces. BITC Cymru works closely with partners in the Welsh Government and the voluntary sector in Wales to support a responsible business approach that is tailored to the Welsh business environment.

Following a competitive tender process, BITC's business/school partnership programme is now funded by the Welsh Government and delivered in collaboration with Careers Wales; sixty partnerships have been established, engaging forty-five companies across fifteen local authorities. Barclays' LifeSkills, which helps young people get the skills and experiences they need to enter the world of work, is delivered in Wales by BITC Cymru, and last year 220 workshops were delivered supporting 9,300 young people and engaging 160 Barclays Bank volunteers. Wales Action Week took place in November 2015 and works with businesses to raise the profile of an emerging social issue and develop ways that business can help address it. This year it focused on the challenges and opportunities for business of an ageing population - 180 employee volunteers from 34 businesses and organisations were involved. Seventy businesses in the week became Dementia Friends and three older people secured employment.

In May 2016, BITC Cymru partnered with Sustrans Cymru on the Cymru Travel Challenge to challenge employee behaviour on workplace related travel.

60 companies took part in the challenge, beating the target of 38, and over 6,500 sustainable journeys were logged.

In addition, BITC Cymru supports companies to maximise the full value of their membership in Wales by providing access to responsible business tools, tips, guidance and information covering our five key topic areas of education, employment, enterprise, environment and employees.

## In Scotland

Scotland has become used to voting on big changes in recent times: the Independence Referendum, elections for the Scottish Government, elections for UK Government and the EU Referendum are all very recent memories. However, no vote has had more significance for Scottish Business in the Community than the January 2016 merger with BITC endorsed wholeheartedly by SBC members. Now complete, it has delivered growth in meaningful business engagement in Scotland while adding new approaches and models to the work across the UK.

BITC Scotland has continued to challenge itself and business to be more ambitious. In June 2016, the Scottish National Action Plan for Responsible Business (<http://www.bitc.org.uk/scotland/snap-rb>) was publically launched, providing a framework for the next decade of responsible, sustainable growth and opportunities for new collaboration between the Scottish Government and business. BITC Scotland's engagement of business leaders in designing solutions to socioeconomic problems has been a key feature of review and planning. It is through this engagement that Scotland's

programme offer is developing: making Scotland the destination of choice for armed forces leavers seeking employment; ending the dependency on food banks, which address children's Holiday Hunger as a symptom of poverty but do not remove the cause; or building ever stronger employee engagement through volunteer programmes such as Paired Reading and Food for Thought. BITC Scotland is also able to use its experience and networks to extend the reach of programmes tried and tested by our member businesses. For example, providing 30,000 young people in Scotland over the next three years with the skills and experiences they need to enter the world of work as the national delivery partner for Barclays and the LifeSkills programme, sharing knowledge and expertise with the BITC Cymru team along the way. Through 2016, BITC Scotland has become stronger, more focused and with a deeper engagement with business in Scotland – to benefit everyone who lives and works here.

## In Northern Ireland

BITC Northern Ireland (NI) continues to work with its more than 260 members to support business and raise awareness across the nation. There was much change throughout the year, with Assembly elections in May as well as local council restructuring to form eleven 'SuperCouncils'. Looking to the future, BITC NI will focus on education and jobs, supporting communities and taking a circular economy approach to environmental work. Throughout the year there was much of which to be proud.

BITC NI's Aiming High scheme, that pairs young people who have come through the care system with a business mentor

to help them increase their confidence and prepare for the world of work, has seen 57 young people supported by 59 businesses, with 72% of those young people now in employment, education or training. The £ for lb, 12 week, workplace-based, weight loss scheme completed its third year; 1,620 employees took part, losing 9,467 lbs and 1,509 waist inches; and raising £17,000 for charity in the process. NI's long running school reading campaign saw 512 business volunteers from 60 organisations support over 700 primary school children to improve their reading and their aspirations in 97 schools each week. 83 companies participated in the NI Environmental Benchmarking Survey in 2015 and over 100 have signed up for 2016, providing demonstrable evidence of improving their environmental management and performance. 25 companies have now achieved CORE, the only standard for responsible business in Northern Ireland. In addition, 9 high streets in NI are now receiving support as part of the BITC's high street regeneration programme as well as 15 schools in the nation taking part in BITC's successful school/business partnership scheme.



BITC NI celebrating the 1b for £ wellbeing campaign.

## Awards 2016

## Winners



### Principality Building Society's Welsh Responsible Large Business of the Year: Wales & West Utilities

Every day Wales & West Utilities does its very best to keep 7.5 million customers safe and warm with a gas network they can rely on and a level of service they can trust.

### The Welsh Government Responsible Small Business of the Year: Dr Zigs Extraordinary Bubbles

Using innovation and ethical business practices, Dr Zigs has turned bubbles into profit. Constantly updating its products and manufacturing process, the firm is changing the world, one bubble at a time.

### Scotland's Responsible Large Business of the Year: Enterprise Rent-A-Car

Enterprise Rent-A-Car clearly demonstrated to the judges a diverse, well-rounded and practical approach to responsible business that is embedded in all of its day-to-day operations and tailored for the local communities in which it serves

### Scotland's SME of the Year: Rabbie's Trail Burners:

Rabbie's is an SME which continues to place environmental sustainability at the heart of its business, and which takes a holistic approach to responsible business; fostering partnerships with like-minded companies, seeking to influence others and spreading sustainable values across the country.

### BT's Northern Ireland Responsible Company of the Year: Diageo NI

As one of Northern Ireland's major exporters, Diageo Northern Ireland brings iconic Irish brands like Baileys, Guinness, Harp and Smithwicks to consumers around the world. Employing 345 people in NI across three sites, it sells products in over 180 countries.

# The Prince's Responsible Business Network around the world

**A**s a UK based organisation, BITC seeks to use its position at the heart of global economy to influence and shape the activities of global companies and share its knowledge with similar organisations around the world through the Global Partner Network.

BITC works to raise awareness and understanding of sustainable business models including the Sustainable Development Goals, human rights, international community investment and international disaster relief. The Give & Gain campaign is delivered internationally in fourteen countries through our CSR360 Global Partner Network which engaged almost 250 companies and 310 community partners, benefiting over 43,000 people. Additionally, more than 1,500 volunteers and over 100 companies participated in our Key Cities initiative benefiting over 90,000 people around the world.

Supported by the UK Department for International Development, BITC is helping businesses to prepare and respond to humanitarian or environmental disasters around the world. The outstanding examples of companies addressing these challenges are recognised through the Responsible Business Awards. Furthermore, the past year has seen the development of the International Disaster Relief Matching Tool, which matches corporate resource with humanitarian need, highlighted at the UN World Humanitarian Summit 2016.

BITC's International Tourism Partnership, a collaboration of world's leading hotel companies, is driving forward responsible business within the hotel industry. Over 24,000 properties worldwide are using

## Case Studies

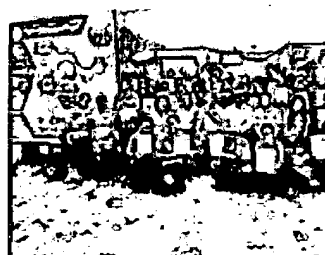
**The Unilever Global Development Award, supported by Business Fights Poverty, Winner: The Manila Water Company**

The Manila Water Company is helping people in poor urban communities to access clean, safe, affordable water, while improving the quality of the water supply and growing a new customer base.



**The UPS International Disaster Relief Award, supported by the Department for International Development, Winner (Large Company): Philippine Long Distance Telephone Company**

By working together with other companies to mobilise private sector resources in the aftermath of a devastating typhoon, the Philippine Long Distance Telephone Company provided vital support to communities and helped to restore markets.



**The UPS International Disaster Relief Award, supported by the UK Department for International Development, Winner (Small Company): iDT Labs**

iDT Labs developed a hazard payment solution which helped to prevent the collapse of the healthcare system in Sierra Leone during the Ebola crisis and established their reputation in ICT for development.



the Hotel Carbon Measurement Initiative (HCMI) methodology to measure and report their carbon footprint. The past year has also seen the development of the Hotel Water Measurement Initiative (HCWI) that was due to be launched during World Water Week in August 2016. These hotel companies also

collaborate to deliver a programme to address youth unemployment, the Youth Career Initiative which won the prestigious Tourism for Tomorrow People Award (<https://www.wttc.org/tourism-for-tomorrow-awards/winners-and-finalists-2016/>) in April 2016.

# Our People and Organisation

**B**ITC's vision is for every business to act responsibly and so ensure a fairer society and a more sustainable future. As an employer, BITC works to make this vision a reality by providing a sustainable, inclusive, positive and productive workplace for its employees. BITC encourages all employees to uphold the organisational values; to be pioneering, to act with passion, collaboration, integrity and focus.

BITC took part in the *Sunday Times* 2016 Best Not-For-Profit Organisations To Work For survey. This placed BITC at 64, an improvement from 76 the previous year and it is hoped this can be improved still further.

BITC has continued to develop its employees through a number of training and development initiatives. Building on last year's success, the Leadership for Growth programme has continued to train senior directors to support a renewed focus on collaborative working and relationship building at a senior level. 64 of our managers have now attended our Recruitment and Selection training, delivered by the CIPD to ensure a consistent standard of interviewing. 13 of our new people managers completed our Leadership Development for People Managers programme, and continue to support each other through ongoing action learning sets. A further 26 managers benefitted from a week of "Management Mini" workshops in November focusing on improving team and individual performance

As an organisation working across the UK and around the world, keeping employees involved in the wider organisation is a challenge. To address this, BITC encourages the use of new technology to facilitate communications and brings employees together each year. In December 2015, this was done digitally with teams from across the whole organisation taking part.

BITC believes that it should 'walk the talk' and take action itself to be a responsible business and employer. As part of this:

- All employees receive two days paid to volunteer on an activity of their choice in addition to team activities organised by managers. As an employer in BITC's Business Class programme, BITC is partnered with a school in Islington through the London office.
- BITC is committed to the Living Wage campaign and all employees are paid at or above the Living Wage.
- Flexible and part-time working is an important opportunity for all employees and all are able to request flexible working arrangements from their manager.
- In 2015 BITC committed itself to reducing energy consumption by 10% over four years. A near 20% reduction has already been achieved in our Nottingham Office following a refurbishment. At Shepherdess Walk consumption has decreased by a further 20% since September 2014.

BITC's IT infrastructure aims to be good, with a focus on cost control and the provision of off-the-shelf tools that



help collaboration, communication, and common business process. In 2015-2016 we moved to the Microsoft Office 365 platform to facilitate greater collaborative working, reduce costs and energy consumption from onsite servers.

BITC is signed up as a prompt payment supplier under the more rigorous criteria now applied by the government. BITC's target is to achieve more than 95% of our payments within 60 days of issue (date taken as when payment reaches the suppliers accounts). In 2015/2016 we achieved 94%.

Our pay is based on the medial salaries for the Charity sector. BITC evaluates jobs and obtains benchmarking information principally through Croner Reward, taking into account other industry reviews. The parameters for any annual pay review, including key personnel, are agreed by our Finance and Risk committee and take into account average pay settlement data, inflation and affordability.

# Our Plans For 2016 – 2017

**E**ach year BITC produces a business plan that is agreed by the Board. This year the plan remains ambitious and sets a clear direction for all in BITC to work as One BITC, building on the McKinsey Review undertaken in 2015. As part of this plan, three major strategic work streams are underway:

- Implementing a cohesive UK-wide operating model
- Undertaking a membership review
- Embracing the digital agenda

Immediate priorities for the year to build on the progress already made include:

## Keep growing the movement

By delivering more ways to members to collaborate, better integrate our international reach across all our areas of work, and explore new and different ways of engaging companies.

## Finish what we started

Deliver on existing commitments, raise the profile and emerging expertise of new areas of work such as environment, marketplace and employment, and clarify and promote our leadership offer

## Raise our profile

By demonstrating expertise with a One BITC approach and continuing to celebrate what companies do through platforms for our top performing companies.

## Keep our finger on the pulse

By staying relevant and alive to new big ideas, identifying strategic funding priorities and delivering a coordinated and prioritised approach with a changing central government.

Creating and developing partnership opportunities in the devolved governmental departments and public bodies.

Get better at capturing and sharing our impact.

Continue to develop better ways of measuring impact, improve our tracking and use of data to better demonstrate the impact of the movement, find more ways to consolidate and share the data we have internally and externally.

## Commit to working as One BITC

By implementing the new People Plan, ensuring transparency, make our values more visible and tangible and build on the results of the Best Places to Work survey.



*Pupils attend a Work Inspiration event at Thomas Whitham Sixth Form Centre, Burnley in 2013.*





# Financial Review

The financial statements for the year have been prepared in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities SORP FRS102 as it applies from 1 January 2015. They reflect the changes required under the new reporting requirements and as such the comparatives for the 2014/15 results have been restated.

They incorporate the results of Business in the Community, its trading subsidiary (BITC Trading and Advisory), The Prince's Countryside Fund, of which BITC is the sole member, and its trading subsidiary Countryside Fund Trading Ltd, Arts & Business and the Prince's Initiative for Mature Enterprise (PRIME). In addition, following the merger on 1 January 2016 the results include six months of operations in Scotland (previously Scottish Business in the Community) now fully integrated within BITC.

As reported in the Statement of Financial Activities, the incoming resources were down slightly in the year at £29.6m in 2016 (£30.7m in 2015). These total incoming resources are shown below by income streams.

The year was a challenging one for BITC in many respects. The continuing fall in public funding impacted our regional delivery although we were awarded funds to support the new national Water Task force, as well as continuing funds with DFID and with the Big Lottery. Our connector programme, in its 4th year, was supported by a large number of organisations contributing over £4m in direct engagement and has been critical in delivering to local communities when direct public sector funding has been cut. This was part of the overall growth of almost £500k in our in-kind support. Company engagement continued strongly with only minimal overall reductions in some areas of operation; workplace, environment, education and marketplace solutions in particular saw real growth from new and existing supporters. The inclusion of activities in Scotland from January 1 added £543k to the incoming resources as well as increasing our reach with companies and programmes. Mosaic's last year within BITC was also very successful with funding from private, public, and not for profit sources to achieve the impacts reflected in this report. Membership contributions and support for our core campaigns fell slightly awaiting the outcome of a review of the way we

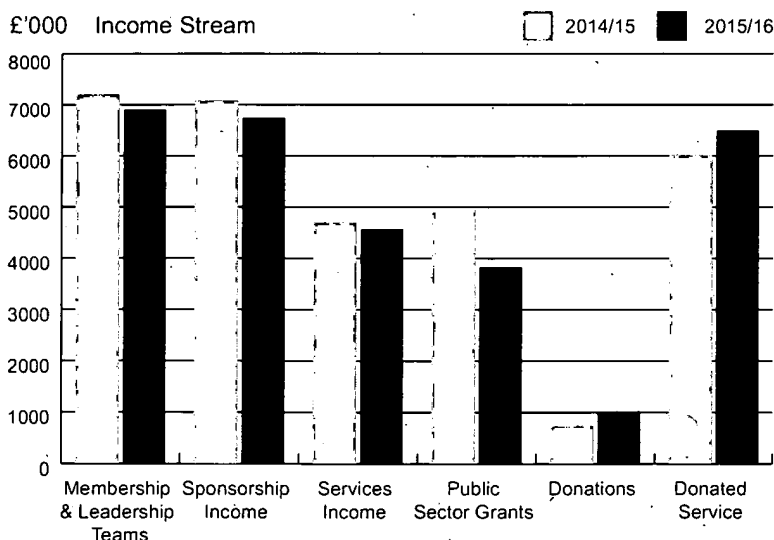
engage with our member companies; in particular the re-alignment of the work on the environment agenda in 2015/16 is now better placed to respond across the breadth of this area. International programmes (other than within Mosaic), whilst representing only 3.5% of our total income have grown their overall income and continued to contribute across the range of disaster relief, employment and environment programmes. Our English operating areas did struggle this year to access private sector support to replace the continuing reduction in public funds which have supported the range of these programmes in earlier years. This has led to a major review of the way we deliver our engagement at local levels with the support of our key companies and regional advisory boards.

The major subsidiary charity, The Prince's Countryside Fund, saw an increase in income from companies and individuals this year supporting both the grant funding programme and its wider remit on rural programmes. There was an increase in the number of grants awarded in the year from restricted funding and unrestricted funds across the range of programmes the fund supports.

All income, including members' contributions, is used solely to finance expenses incurred in connection with BITC's mission.

The movement in unrestricted funds of £94k (2015 £182k restated, previously £219k) represents the increase in free reserves available to support any part of the charitable undertakings of the company.

The net movement in the unspent restricted funds from year to year arises from the differences in timing between the recognition of the income and the incurring of the related expenditure. This year the restricted funds of £2.147m at 1



July 2015 fell by £52k (2015 down £717k) to £2.095m at 30 June 2016.

The Endowment funds connected with the development of the BEAM project reduced by £20k to £461k (£481k). The total net increase in all funds this year was £22k (BITC alone the increase was £2k) compared to a decrease last year of £555k (2015 restated; originally £519k) (BITC alone was £93k).

### Economic Conditions and Going Concern

We continue to be able to access funds from our member companies and from the public sector where our core initiatives demonstrate that they meet both societal need and funding expectation. Despite a challenging environment we have continued to meet our expectations in managing our costs to our income.

Our operating costs have reduced this year in response to the reduction in our public sector funding. We retain the flexibility to continue to do so where this becomes necessary in response to reduced income. Consequently, we have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future. The accounts have therefore been prepared on the basis that the charity is a going concern.

### Fixed assets

Movements in fixed assets during the year are set out in Note 5 to the financial statements.

### Reserves and Reserves policy

The total consolidated reserves of the Group were £5.788m at June 2016 (2015 restated £5.766m). Of this £461k (2015 £481k) is held as endowment funds reflecting the value of fixed assets donated to the charity, £2,095k (2015

£2,147k) is held as restricted funds where the application of such funds is restricted to a given activity within the overall objectives of the Group. The remaining reserves are unrestricted funds and include £708k attributable to fixed assets and are therefore not freely distributable. The residue is designated as free reserves.

The company holds those free reserves to provide working capital to finance its day-to-day operations and to provide a safeguard against any unforeseen contingency, including a downturn in support or activity, that could lead to expenditure exceeding income, and ultimately to protect its solvency in the event of any curtailment of its activities. The policy determined by the directors is to reflect what minimum level is adequate for its needs in a changing environment. An evaluation of the current costs of total cessation in a worst-case scenario has been carried out which estimated that the unfunded extra costs would require a minimum level of unrestricted free reserves of £2.4 million. The company's free reserves amounted to £2.5 million at the year end after restatement, being the net current assets of its unrestricted funds (as reported in note 11) which also represent its liquid funds. This exceeded the requirement determined by the directors.

### Grant making policy

The Trustees of BITC's subsidiary, Prince's Countryside Fund (PCF), have established a grant making policy to achieve PCF's objective for public benefit by supporting projects in England, Wales, Scotland and Northern Ireland that clearly contribute towards one or more of the goals of the charity. The charity invites applications for grants from organisations to support capital, project and resource funding that contribute to the sustainability of British farming, rural communities and the countryside, particularly in areas of greatest need. In addition grants are allocated by PCF's

Trustees from their "emergency" funding to meet immediate and urgent needs arising from events which can have a devastating effect on rural communities.

Full details of the application process including dates and criteria are available from The Prince's Countryside Fund website. <http://www.princescountrysidefund.org.uk/>

### Post Balance Sheet Events

The Mosaic initiative was transferred to The Prince's Trust and to Prince's Trust International as at the end of June 2016. The impact of the move as far as it affects the results for year to June 2016 is fully reflected in these figures.

### Guarantors

The liability of each of the guarantors in the event of a winding up is limited either to £5 or to a voluntary but binding sum of £1,000.

### Organisation

Business in the Community was incorporated as a company limited by guarantee on 2 March 1982 and was registered as a charity on 28 September 1987. It is governed by its articles of association, as amended by special resolutions passed on 10 September 1987, 8 December 1994, 4 December 2001 and 9 December 2015.

Its principal objects are:

- The relief of unemployment and poverty by promoting the practical interest and involvement of companies, firms, voluntary organisations, and local authorities, in advancing industry and commercial and social enterprise by creating or assisting in the creation of opportunities for employment in areas where involuntary unemployment is causing poverty, hardship and distress or physical or mental ill health.
- To advance education by the promotion of research and the publication of the

useful results thereof relating to the corporate social responsibility and community involvement policies and practices of industry and commerce.

- Otherwise to relieve poverty, advance education, promote equality and diversity and further other charitable purposes which are beneficial to the public by promoting the practical interest and involvement of companies, firms, voluntary organisations, local authorities and individuals in such purposes particularly in the communities in which they have operational interests.
- The protection and preservation of the environment for the public benefit by promoting the practical interest and involvement of companies, firms, voluntary organisations, and local authorities in protecting and preserving the environment in the course of their activities.

The directors consider that they have complied with their duty to have due regard to the Charity Commission guidance on public benefit.

## Directors

The directors, who are the trustees, are elected by the members at the Annual General Meeting. Additional directors may be co-opted by the Board during the year. A list of present directors and those who also served during the year is set out at the end of this document.

The Chief Executive is appointed by the directors to manage the day to day running of BITC under powers delegated by the Board with support from the senior staff.

## Governance

The full Board met four times in the year. The role of the Board is to determine the charity's mission and purpose, and to guard the ethos and values. During the year the Board:

- Agreed the business plan for the coming year and the focus of the activities for 15/16;

- Considered the outcome of the review of BITC operations and its engagement with companies following a review by McKinsey in August to November 2015 and consider how this would realign the activities of the charity and increase its impact;
- Agreed the budget for the year commencing 1 July 2015 and monitored financial performance through the Finance & Risk Committee and risk through the work of both the Audit Committee and Finance & Risk Committee;
- Reviewed the objectives and activities of the charity and its campaigning focus. The directors confirm that in doing so they referred to the guidance contained in the Charity Commission's general guidance on public benefit;
- Approved the Report & Accounts for the year ended 30 June 2015 and recommended their adoption by members in general meeting.

The Finance and Risk Committee met four times in the year to supervise the financial affairs of the Company in relation to the plans the Board had approved, to report to the Board any significant variances against these plans and to review the risks to which the Company is exposed.

The Audit Committee met three times in the reporting period, to oversee the risk management and controls framework, review the accounting policies and financial statements, oversee the relationship with the external auditors and the procedures in place for detecting fraud and whistle blowing.

Work also took place with the members of the Board and the Committees outside of the formal meetings.

New board members received an induction into Business in the Community reflecting their individual and corporate responsibilities.

The Company updates its Trustees Manual every six months, and this details the responsibilities of the

Board, its sub-committees, and matters reserved for their approval. In addition, it lists Business in the Community's responsibilities and duties in regard to its role as one of the Prince's Charities, and provides guidance and best practice based on recommendations of the NCVO on charitable boards.

The Prince's Countryside Fund Board met on four occasions in the year to consider inter alia

- Review of the strategy for the charity
- Fundraising and resource allocation
- Awarding of individual grants
- Review of the outcomes of the research carried out on behalf of the charity

Business in the Community has maintained insurance cover in respect of professional indemnity at an annual premium of £8k (2015 - £8k).

## Risk policy

The Board is responsible for the management of the risks faced by the Company and the Group. A risk management process is in place and continues to be refined and enhanced with the assistance of the Finance & Risk Committee and the Audit Committee. Through this risk management process, the Directors have identified the key risks to which the company is exposed and the actions in place to address them. These are listed right:

The risks have been reviewed, both in relation to the opportunities and the risks arising from the structure of the Group and its culture, and highlighting in particular its entrepreneurial and campaigning nature and the strong emphasis on staff involvement. The processes that are in place to both monitor and to mitigate the effects of such risks are recognised to only provide reasonable and not absolute assurance that key risks have been adequately identified and managed. The design of the systems and controls covering the breadth of the activities, including but not limited to its responsibility to protect confidential and on line data, is considered to be appropriate for the size and complexity of the company's activities. These procedures are regularly reviewed and amendments introduced to meet the changing needs of the organisation. There is no evidence that there is any material failure of these controls.

## Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in Note 1, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on

Key Risk identified by our review	Controls and mitigations
Macro-economic and perceived Brexit uncertainties could cause business to cut discretionary expenditure, causing a loss of Members, or lower programme participation by Members.	<b>Control:</b> relationship management to stay close to individual Members' situations and highlight the relevance of BITC's activity and campaigns to current challenges. <b>Mitigations:</b> widely diversified income streams.
BITC's purpose, programmes and services could become out of step with business needs.	<b>Control:</b> regular review of company support including from external references (satisfaction surveys and reference panels); competitor analysis; Pipeline for recruitment and follow up of all resignations <b>Mitigations:</b> boards and Leadership team structure keeps BITC close to business-relevant issues. changes to Membership engagement proposition, CEO led review with current and former members
BITC could be unable to adapt adequately to fluctuations in income.	<b>Control:</b> close monitoring of core & fixed costs in relation to income, especially long-term commitments. <b>Mitigations:</b> maintain and improve flexibility of internal structures to support cost reductions to meet changes in income. Annual budget & business plan and regular reforecasts, supplemented by medium-term cash and viability forecasting. Clear governance structure, especially in relation to longer-term commitments.
Reduction in, termination of, or failure to deliver key programmes could damage reputation or reduce critical mass.	<b>Control:</b> regular reporting and monitoring of quality of delivery. <b>Mitigations:</b> regular review of activities and relevance

historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

## Statement of Directors' Responsibilities

The Trustees (who are also the directors of Business in the Community for purposes of company law) are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the directors to prepare financial statements for each financial year.

Under company law, the directors 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 charitable company and the group,

and of the incoming resources and the application of resources including income and expenditure of the charitable company and of the group for that period.

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

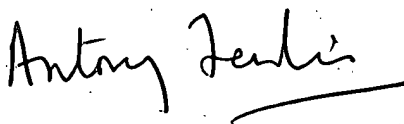
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group, and enable them to ensure that the financial statements comply with the Companies Acts and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the company and the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. So far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware. The directors have each taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## Auditors

Crowe Clark Whitehill LLP has indicated its willingness to be reappointed as statutory auditor and a resolution proposing their re-appointment will be submitted to the forthcoming Annual General Meeting

This Annual Report, prepared under the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006, was approved by the board on 2nd November 2016, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



## Antony Jenkins

Chairman, Business in the Community

02 November 2016

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUSINESS IN THE COMMUNITY

We have audited the financial statements of Business in the Community for the year ended 30 June 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 to the charitable company's trustees, as a body, in accordance with section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. 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 company and the charitable 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 auditor

As explained more fully in the Trustees' Responsibilities Statement, 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 as auditor under section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

## 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 group's and parent charity'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 Strategic report and the Trustees' Annual

Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 parent charity's affairs as at 30 June 2016 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
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Trustees' Annual Report 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 or the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records; 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.



Michael Hicks (Senior Statutory Auditor) for and on behalf of Crowe Clark Whitehill LLP, Chartered Accountants and Statutory Auditor, London, United Kingdom

# Business in the Community

## (a company limited by guarantee)

### Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 30 June 2016

		Unrestricted Funds		Restricted Funds		Endowment Funds		Total Funds	
		FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
	note	£000	£000	£000	£000	£000	£000	£000	£000
Income & Endowments	1								
Donations & Legacies		254	213	6,239	5,792	-	-	6,493	6,005
Income from excess of fair value		-	-	-	565	-	-	-	565
Investment income		17	13	10	14	-	-	27	27
		271	226	6,249	6,371	-	-	6,520	6,597
Income from Charitable activities	3	10,694	11,294	12,338	12,781	-	-	23,032	24,075
Total Income & Endowments		10,965	11,520	18,587	19,152	-	-	29,552	30,672
Expenditure									
Expenditure on Charitable activities	3	10,871	11,338	18,639	19,869	20	20	29,530	31,227
Total Expenditure		10,871	11,338	18,639	19,869	20	20	29,530	31,227
Net income/ (expenditure) for the year		94	182	(52)	(717)	(20)	(20)	22	(555)
Reconciliation of Funds									
Total funds at 1 July 2015		3,138	2,956	2,147	2,864	481	501	5,766	6,321
Total funds at 30 June 2016		3,232	3,138	2,095	2,147	461	481	5,788	5,766

All of the charitable company's operations are represented by continuing activities other than the Mosaic Initiative shown below.

The charitable company has no recognised gains and losses other than those shown above.

The above results incorporate the performance of the Mosaic Initiative which was transferred to The Prince's Trust on 30 June 2016 with a balance on funds of £22k. Mosaic in the year contributed £1,830k to income and £1,808k of expenditure all of which was restricted.


Notes 1 to 18 form an integral part of these financial statements

## Consolidated and Company Balance Sheets as at 30 June 2016

Company Registration Number 1619253

	note	Consolidated 30 June 2016 £000	Consolidated Restated 30 June 2015 £000	BITC 30 June 2016 £000	BITC Restated 30 June 2015 £000
<b>Fixed Assets</b>					
Tangible Assets	5	1,169	1,271	1,169	1,271
<b>Current Assets</b>					
Debtors	7	4,394	4,269	4,044	3,916
Cash and Cash equivalents	8	7,323	8,217	5,041	6,065
<b>Total Current Assets</b>		11,717	12,486	9,085	9,981
<b>Current Liabilities</b>					
Creditors—amount falling due within one year	9	(6,596)	(7,518)	(4,797)	(5,797)
<b>Total Current Liabilities</b>		(6,596)	(7,518)	(4,797)	(5,797)
<b>Net current assets</b>		5,121	4,968	4,288	4,184
Creditors – amounts falling due after than one year	10	(502)	(473)	-	-
<b>Net assets</b>		5,788	5,766	5,457	5,455
<b>Represented by:</b>					
Unrestricted income funds		3,232	3,138	3,232	3,138
Restricted income funds		2,095	2,147	1,764	1,836
Endowment funds		461	481	461	481
<b>Total funds</b>	11	5,788	5,766	5,457	5,455

Approved by the Board of Directors on 02 November 2016 and signed on its behalf


Antony Jenkins  
Chairman

John Spence CBE  
Chairman of the Finance & Risk Committee

Notes 1 to 18 form an integral part of these financial statements



## Consolidated Cash Flow Statement for the year ended 30 June 2016

	Year ended 30/06/16 £000	Year ended 30/06/15 £000
Cash (outflow)/inflow from operating activities	(918)	381
Cash flows from investing activities		
Investment Income	27	27
Purchase of tangible fixed assets	(3)	-
Net cash inflow from investing activities	24	27
Net (decrease)/increase in cash and cash equivalents	(894)	408
Cash and cash equivalents at 1 July 2015	8,217	7,809
Cash and cash equivalents at 30 June 2016	7,323	8,217

### Reconciliation of net incoming resources to net cash (outflow)/inflow from operating activities

	Year Ended 30/06/16 £000	Year Ended 30/06/15 £000
Net incoming resources :		
- Unrestricted funds	94	182
- Restricted funds	(52)	(717)
- Endowment funds	(20)	(20)
Net income/expenditure for the reporting period (as per the statement of financial activities)	22	(555)
Adjustments for:		
(Gains) on investments	(27)	(27)
Depreciation charges	105	121
Decrease in Debtors	165	382
Increase in Accrued Income & Prepayments	(290)	(89)
Increase / (Decrease) in Creditors less than one year	105	(90)
Increase in Creditors greater than one year	29	137
(Decrease) / Increase in Accrued Expenditure & Deferred Income	(1,027)	502
Net cash outflow/inflow from operating activities	(918)	381

### Analysis of cash and cash equivalents

	note	Year Ended 30/06/16	Year Ended 30/06/15
Cash in hand		5,643	6,550
Notice deposits (less than 3 months)		1,680	1,667
Total cash and cash equivalents	8	7,323	8,217

Notes 1 to 18 form an integral part of these financial statements

## Notes to the Accounts

### 1. Accounting Policies

#### a) Charitable Status

The company is limited by guarantee (company registration number 1619253) and is a registered charity in England and Wales (297716) and Scotland (SC046226). The address of the registered office is 137 Shepherdess Walk, London N1 7RQ.

#### b) Statement of Compliance

The Group and Charity financial statements have been prepared in accordance with the Statement of Recommended Practice: "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (SORP) issued on 16 July 2014 and the "Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). They also comply with the reporting requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011.

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

Business in the Community constitutes a public benefit entity as defined by FRS 102.

As highlighted in the report of the directors, having assessed the charity's financial position, its plans for the foreseeable future, the risks to which it is exposed and the detailed cash projections the trustees are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

#### c) Basis of Preparation

The Group and Charity financial statements have been prepared on a going concern basis, under the historical cost convention.

This is the first set of accounts presented by Business in the Community compiled in compliance with FRS 102 and the now revised SORP. The effective date of transition to FRS 102 is 1 July 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 30 June 2015. In preparing the accounts the Trustees have determined that in applying the accounting policies required by FRS 102 and the Charities SORP a restatement of comparative items is needed. Details of the

transition to FRS 102 and the SORP are disclosed in note 13. The individual entity accounts of Business in the Community have taken advantage of the disclosure exemption under FRS 102 to separately disclose categories of financial instruments and items of income, expenses, gains or losses relating to instruments as these have been presented on a group basis in the notes to the accounts.

### Consolidation

The Statement of Financial Activities and the Consolidated Balance Sheet consolidate the results of the Charity and its wholly-owned subsidiaries, Prince's Countryside Fund, Countryside Fund Trading, Arts & Business, Arts & Business Services, BITC Trading & Advisory, Scottish Business in the Community and PRIME. The results of the subsidiaries are consolidated on a line-by-line basis. Intra group transactions and year end balances are eliminated on consolidation. In accordance with section 408 of Companies Act 2006 no separate Statement of Financial Activities has been presented for Business in the Community.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described below, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year. The principal accounting policies applied in the preparation of the Group and Charity financial statements are set out below. These policies have been consistently applied to all the years presented.

#### d) Statement of cash flows

The Charity has taken advantage of the exemption in FRS 102 from preparing a statement of cash flows, on the basis that it is a qualifying entity and the Group statement of cash flows included in these financial statements includes the cash flows of the Charity.

## e) Income

All income received by the Group is used to finance expenditure incurred in furtherance of its objectives. Income is recognised and included in the statement of financial activities when the Group has entitlement to the income, it is probable that the income will be received and the amount can be measured reliably. Income received relating to future accounting periods is deferred and recognised as a creditor within the balance sheet.

Existing members' ordinary contributions are recognised in full on the date on which they fall due. Ordinary contributions from members who have joined in the year are recognised when there is adequate certainty of receipt.

Sponsorship income, fees, public sector grants, sundry income and bank deposit interest are recognised on a receivable basis. To the extent that such monies represent monies that have been claimed in advance to meet specific commitments arising, or services to be delivered, after the balance sheet date, they are carried forward as fees and other funds in advance within creditors on the balance sheet (note 12).

Such income is not recognised as incoming resources in the Statement of Financial Activities until the certainty of entitlement has been established. The balances of unspent restricted charitable funds are carried forward as Restricted Income Funds.

Donated services and facilities income, categorised as voluntary income, represents the Group's estimate of the value to the charities of donated services and facilities, the value of the donated long lease and the cost of seconded staff in support of the charities activities.

## f) Expenditure

All expenditure is accounted for on an accruals basis.

Allocation of membership resources expended – the cost ascribed to the membership activities represents the estimated cost of staff time involved in managing relationships with members, their engagement with us and support for our communication of best practice.

Cost of generating funds – there is no cost allocated to the cost of generating voluntary income funds as these represent the receipt of donated services and facilities and any such costs incurred are regarded as being immaterial.

Charitable activities expenditure is incurred in connection with the specific objects of the Group and includes as support services the costs incurred in supporting those activities. The apportionment between charitable activities expenditure, including support services, and governance costs, has been calculated by analysing staff time and by allocating all other costs by activity. Support services are allocated on a per head basis and apportioned to charitable activities on the same basis.

The costs allocated to governance costs include staff time spent on governance, the related support costs and audit costs.

Input VAT is allocated to the costs on which it is incurred and recoveries of directly attributable tax credited against them.

Residual input tax recovered is credited to support services in the Statement of Financial Activities and apportioned over expenditure in proportion to the activity.

Included within each relevant category of expenditure, as appropriate to the activity they supported, are the estimated cost of donated services and facilities and the cost of seconded staff.

## g) Accounting for Grants Payable

Grants payable are payments made to third parties in furtherance of the charitable objects of the Prince's Countryside Fund. Single or multi-year grants are accounted for when the trustees have agreed to pay the grant without condition and have notified the recipient, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the charity. Grants approved but not yet paid are shown as creditors in the accounts.

## h) Tangible Fixed Assets

Tangible fixed assets are stated at their purchase price, together with any incidental costs of acquisition. Individual assets are capitalised only when their cost of acquisition amounts to £12,000 or more.

Where fixed assets have been donated, they have been included in the financial statements at the lower of their valuation to the charity or replacement cost at the date of donation.

Provision for depreciation is made so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic life of the assets concerned.

The annual rates used for this purpose are:

Long-leasehold buildings	4% per annum
Long-leasehold buildings' refurbishments	10% per annum
Short-leasehold improvements	over the remainder of the term of the lease
Equipment, fixtures and fittings	20% per annum
Vehicles	25% reducing balance

Depreciation on assets that are held under an endowment fund is charged against that fund.

## i) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cash held in current accounts with UK banks and cash on short notice deposit accounts.

**j) Provision for costs under Property Leases**

Provision is made for costs likely to be incurred on expiration of the property leases where the liability for such expenditure is a requirement of the lease and can be reliably estimated and where the future renewal of the lease is uncertain. These are charged to the Statement of Financial Activities in the last few years of the lease when such costs can be accurately determined and reported as a liability due at the end of the lease term.

Rents payable under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term. Benefits received as a lease incentive are credited to the statement of financial activities, to reduce the lease expense, on a straight-line basis over the lease term. The Group has taken advantage of the exemption in respect of lease incentives on leases in existence at the date of transition to FRS 102 (1 July 2014) and continues to credit these lease incentives to the statement of financial activities over the period to the first rent review date on which the rent is adjusted to market rates.

**k) Operating Leases**

Payments under operating leases are charged to the Statement of Financial Activities as incurred.

**l) Pension Contributions**

The Group contributes to defined contribution private pension policies for employees and the pension cost charge that is shown in note 4(b) represents the contributions payable to these policies.

**m) Financial Instruments**

Business in the Community has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method (equating to the present value). Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors and accrued income. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors and accrued expenditure.

**2. Income and Expenditure**

- a) No Trustees received any remuneration in the year (2015: £Nil). One director received reimbursement of expenses in the year totalling £83 (2015: One director £56).
- b) The Statement of Financial Activities includes the cost of donated services and facilities amounting to £1,762 k (2015: £1,802k) and the cost of staff seconded from member companies and organisations amounting to £4,625 k (2015: £4,161k), details of which are given in note 4(a).

- c) The results are stated after charging:

	Total 2016 £000	Total 2015 £000
Operating Leases:		
Plant and Machinery		16
Land and Buildings	328	251
Depreciation	105	121
Group Auditors remuneration		
– audit of Parent accounts*	22	21
– audit of subsidiaries	11	12
– other services	1	1
Other Auditor remuneration		
– audit of subsidiaries	-	7
– other services	2	3

\* The audit fee charged to BITC represents a discounted fee level with the balance contributed on a pro-bono basis

### 3. Analysis of Consolidated Financial Activities

#### a) Analysis of Incoming Resources by activities

Activities	Voluntary Income	Charitable Activities	Total 2016	Total 2015
	£000	£000	£000	£000
Membership & Leadership Teams	390	6,963	7,353	7,412
Seeing is Believing, Support & Challenge	175	2,080	2,255	2,508
Making an impact:				
Employees	120	1,933	2,053	1,824
Business Connectors, Education, Employment and Enterprise	5,595	9,783	15,378	16,297
Environment	93	377	470	904
Prince's Countryside Fund	107	1,896	2,003	1,687
Governance – donated services	13	-	13	13
	6,493	23,032	29,525	30,645
Bank Deposit Interest Receivable	-	27	27	27
<b>Total Incoming Resources</b>	<b>6,493</b>	<b>23,059</b>	<b>29,552</b>	<b>30,672</b>

#### b) Analysis of Resources Expended by activities

Activities	Voluntary Income	Charitable Activities	Total 2016	Total 2015
	£000	£000	£000	£000
Membership & Leadership	390	4,935	5,325	5,472
Seeing is Believing, Support & Challenge	175	3,087	3,262	3,710
Making an impact:				
Workplace & Employees	120	1,939	2,059	2,106
Business Connectors, Education, Employment and Enterprise	5,595	10,527	16,122	16,549
Environment	93	531	624	1,405
Prince's Countryside Fund	107	1,869	1,976	1,820
<b>Total Activities</b>	<b>6,480</b>	<b>22,888</b>	<b>29,368</b>	<b>31,062</b>
<b>Governance</b>	<b>13</b>	<b>149</b>	<b>162</b>	<b>165</b>
<b>Total Resources Expended</b>	<b>6,493</b>	<b>23,037</b>	<b>29,530</b>	<b>31,227</b>

**c) Analysis of Total Costs Expended**

Activities	Staff Costs £000	Support Costs £000	Other Costs £000	Total 2016 £000	Total 2015 £000
Membership & Leadership	3,833	538	954	5,325	5,472
Seeing is Believing, Support & Challenge	1,591	338	1,333	3,262	3,710
Making an impact:					
Employees	1,232	244	583	2,059	2,106
Business Connectors, Education, Employment and Enterprise	6,693	1,325	8,104	16,122	16,549
Environment	333	65	226	624	1,405
Prince's Countryside Fund	245	46	1,685	1,976	1,820
<b>Total Activities</b>	<b>13,927</b>	<b>2,556</b>	<b>12,885</b>	<b>29,368</b>	<b>31,062</b>
Governance	101	10	51	162	165
<b>Total Resources Expended</b>	<b>14,028</b>	<b>2,566</b>	<b>12,936</b>	<b>29,530</b>	<b>31,227</b>

Support costs comprise the central costs of senior managers, finance, human resources and IT support and includes salary costs of £1,738k (2015: £1,705k).

Grants awarded are included within the Prince's Countryside Fund and total £1,360k (2015: £1,445k).

Full details of the grants made and the organisations who were the recipients can be found in the accounts of the Prince's Countryside Fund.

**d) Results for BITC alone****Movement in resources for the company**

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000
Incoming Resources	10,520	16,577	-
Outgoing Resources	(10,426)	(16,649)	(20)
<b>Net Movement in Funds</b>	<b>94</b>	<b>(72)</b>	<b>(20)</b>

**e) Accounting for Restricted Funds and Material Grants**

As an intrinsic part of the accounting system, funds are accounted for to ensure that funders' requirements in respect of their receipt, disbursement and reporting are fully satisfied. Those restricted funds and material grants that warrant separate disclosure in demonstrating different areas of work are shown below. A full list of those funds which require formal acknowledgement are shown in note 20.

Grant funds received in advance of expenditure being incurred are carried forward within creditors on the balance sheet as funds received in advance (notes 1(e) and 11 and 12).

## f) Restricted Funds Analysis

	Balance at 30 June 2015 £000	Income Received £000	Expenditure £000	Balance at 30 June 2016 £000	
Restricted Funds					
Total Movements in Restricted Funds	2,147	18,587	(18,639)	2,095	
Included in this total balance:					
Project & Purpose	Fund Provider	Balance at 30 June 2015 £000	Income Received £000	Expenditure £000	Balance at 30 June 2016 £000
Business Connectors	Big Lottery/Lloyds Bank/ PPCL	194	950	925	219
Prince’s Countryside Fund	Various Private Sector	302	1,825	1,797	330
RFW BAOH Programme	Various Private Sector	182	463	415	230
RFW	People’s Postcode Lottery	50	180	105	125
Employment & Skills	City & Guilds / Various Private Sector	-	591	485	106
International Campaign	Various Private Sector	87	310	249	148
Business Engagement on Disaster Relief	DFID	-	144	144	-
Business Class Rollout	UKCES	16	-	16	-
Central Business Class & Education	CEC / Various private sector	227	495	597	125
Mosaic Programmes	AlFaisal without borders foundation	-	250	250	-
Mosaic Enterprise Challenge	DFID	-	160	160	-
Mosaic Programmes	Heathrow Airport Community Trust	-	125	125	-
Great Yarmouth Neighbourhoods That Work	Great Yarmouth Borough Council	-	73	50	23
Charter, NI	Public Sector	27	95	101	21
Social Enterprise NI	Department for Trade & Investment	75	165	165	75

**g) Endowment Funds Analysis**

	Balance at 30 June 2015 £000	Income Received £000	Expenditure £000	Balance at 30 June 2016 £000
Endowment Fund				
Total Movements in Endowment Fund	481	-	(20)	461

The endowment fund relates to the donation and the development of a fixed asset using capital grant funding and is being amortised over the expected life of that asset.

**4. Employee Numbers****a) Staff Numbers**

At 30 June 2016, the Group employed (excluding Directors) 397 salaried persons (2015: 423). These staff were employed in the following activities:

	30 June 2016	30 June 2015
Direct Charitable Activities	340	367
Central Support Services	33	31
Corporate Communications, Strategy & Management	24	25
Total Number of members of staff	397	423

Throughout the year, the Group employed an average of 401 staff (2015: 418). The full time equivalent of these staff is 366 (2015: 384).

In addition, the Group enjoyed, throughout the year, the services of the equivalent of 60 (2015: 55) full time employees seconded by member companies, public sector and other organisations. 55 of these employees were seconded to the Connector Programme (2015: 51). The cost of these secondees is included in the financial statements as if they had been employed directly by the Group at an additional annual cost of approximately £4,448k (2015: £4,014k) in relation to the Connector Programme and £177k (2015: £147k) in relation to other campaigns.

**b) Analysis of Cost of salaries**

	Year ended 30 June 2016 £000	Year ended 30 June 2015 £000
Total Gross Wages and Salaries	13,736	13,915
Employer's National Insurance Contributions	1,346	1,361
Pension Contributions	794	782
Total Cost of Salaries	15,876	16,058

In addition to the contributions to pension schemes, the Group also provides life cover for employees of four times annual salary, at a cost of £46k (2015: £55k).



**c) Number of employees who earned £60,000 or more in income bands (including taxable benefits)**

	Year ended 30 June 2016	Year ended 30 June 2015
£140,000 - £149,999	1	1
£100,000 - £109,999	4	3
£90,000 - £99,999	6	4
£80,000 - £89,999	6	8
£70,000 - £79,999	4	1
£60,000 - £69,999	6	10

The total employer's pension contributions, paid into defined contribution schemes and in respect of 26 (2015 – 26) of the above employees, amounted to £172k (2015 £162k).

**d) Key Personnel**

These are senior staff within the organisation as well as the Area directors. They are disclosed on page 57 of the accounts. Collectively they earned a salary of £1,399k (2015 £1,285k), received Benefits in Kind of £9K (2015 £7k), and employers pension of £105K (2015 £90k):

**5. Fixed Assets – Tangible Assets**

	Freehold Land £000	Long Leasehold Property £000	Short Leasehold Improvements £000	Equipment, Fixtures and Fittings £000	Vehicle £000	Total £000
<b>Cost</b>						
At 1 July 2015	240	1,108	266	212	-	1,826
Adjustment to opening balance	-	-	-	(4)	-	(4)
Additions	-	-	-	-	7	7
At 30 June 2016	240	1,108	266	208	7	1,829
<b>Depreciation</b>						
At 1 July 2015	-	372	77	107	-	555
Charge for the period	-	35	34	35	1	105
At 30 June 2016	-	407	111	142	1	660
<b>Net Book Values</b>						
At 30 June 2016	240	701	155	66	6	1,169
At 30 June 2015	240	736	190	105	-	1,271

Note: The long-leasehold property includes the cost of land and buildings of £372k and the cost of refurbishing the building of £137k. The figures above do not include works of art held by Arts and Business. In June 2009 these were valued at £129k by Purdy Hicks. There are charges over the office premises in Northern Ireland in favour of the International Fund for Ireland and Department for Social Development relating to the development of the BEAM project in Derry. Adjustment to opening figures relates to savings to costs that were accrued in a previous year.

## 6. Investments

### a) Subsidiary Companies

Business in the Community has a wholly-owned subsidiary, BITC Trading & Advisory Ltd a company incorporated in England and Wales whose results are consolidated within these accounts. Its cost to the company of £3 is included in debtors.

The Prince's Countryside Fund, was established as a wholly owned subsidiary of Business in the Community to support rural and farming initiatives. It commenced trading on 1 July 2010. This charity has a trading subsidiary, Countryside Fund Trading Ltd which also commenced trading on 1 July 2010.

Arts & Business was acquired in November 2011. BITC is the sole member of the charity. Operational activity is all run through Business in the Community's campaign activities and falls within its governance structure. In the year the charity ceased trading and it is the director's intention to dissolve the charity.

The Prince's Initiative for Mature Enterprise was acquired in October 2014. BITC is the sole member of the charity. Operational activity is all run through Business in the Community's campaign activities and falls within its governance structure. In the year the charity ceased trading and the charity has now been dissolved.

On 1 January 2016, BITC became the sole member of the charity Scottish Business in the Community. This charity of which HRH the Prince of Wales is also the President was transferred at no cost to BITC. The Group opening balance and the assets acquired within Scottish Business in the Community on 1st January 2016 were as follows:

Valuation at 1 Jan 2016	
	£000
Fixed Assets	7
Debtors	86
Cash	110
Creditors	(170)
Reserves	33

Total net assets represent the excess of the fair value of the assets acquired over the fair value of the liabilities assumed at the date of acquisition. This excess amount (net reserves) has been recognised as part of incoming resources within the Statement of Financial Activities.

### b) Results of Subsidiary Companies in the year to 30 June 2016

#### Income and Expenditure Accounts

	PCF	CFT	BITC T&A	A&B Group	SBC	Prime
	£000	£000	£000	£000	£000	£000
Incoming Resources	958	1,062	1228	-	-	-
Gift Aid	867	(867)	(784)	-	-	-
(Payable)/Receivable						
Grants Made	(1,360)	-	-	-	-	-
Grant Paid to Parent	-	-	-	(3)	-	(2)
Management Costs	(437)	(195)	(444)	(1)	-	(2)
Result of ordinary	28	-	-	(4)	-	(4)
activities before and						
after taxation						

There was no income or expenditure in Scottish Business in the Community post the date of the merger as all activity relating to the Scotland operation took place within the parent charity. Pre merger income and expenditure has not been consolidated.

## Balance Sheet for Subsidiary Companies at 30 June 2016

	PCF	CFT	BITC T&A	A&B Group	SBC	Prime
	£000	£000	£000	£000	£000	£000
Trade Debtors	197	45	390	-	-	-
Amounts due from Group Companies	627	-	-	-	-	-
Cash	1,424	834	25	-	-	-
Amounts due to Group Companies	(32)	(658)	(221)	-	-	-
Amounts due to third parties	(1,885)	(221)	(194)	-	-	-
Net Reserves	331	-	-	-	-	-

## 7. Debtors and Prepayments

	Consolidated 30 June 2016	BITC 30 June 2016	Consolidated 30 June 2015	BITC 30 June 2015
	£000	£000	£000	£000
Trade Debtors	2,878	2,461	2,957	2,594
Intercompany Debtor	-	282	-	96
Other Debtors	70	70	156	156
Accrued Income	871	679	876	790
Prepayments	575	552	280	280
Total Debtors	4,394	4,044	4,269	3,916

## 8. Cash at Bank and In Hand

	Consolidated 30 June 2016	BITC 30 June 2016	Consolidated 30 June 2015	BITC 30 June 2015
	£000	£000	£000	£000
Current Accounts	4	4	2	2
Interest Bearing Accounts	7,319	5,037	8,215	6,063
Total Cash & Cash Equivalents	7,323	5,041	8,217	6,065

**9. Creditors : Amount Falling Due Within One Year**

	Consolidated 30 June 2016 £000	BITC 30 June 2016 £000	Consolidated 30 June 2015 £000	BITC 30 June 2015 £000
Trade Creditors	338	338	193	193
Other Creditors	610	609	852	851
Amounts due to a Grant Recipient	1,315	-	1,147	-
Taxation and Social Security Costs	611	611	647	647
Membership Contributions in advance	623	623	553	553
Fees and other income in advance (Note 12)	2,378	1,975	2,949	2,408
Accrued Expenditure	721	641	1,177	1,145
<b>Total Creditors falling due within one year</b>	<b>6,596</b>	<b>4,797</b>	<b>7,518</b>	<b>5,797</b>

**10. Creditors > 1 year**

	Consolidated 30 June 2016 £000	BITC 30 June 2016 £000	Consolidated 30 June 2015 £000	BITC 30 June 2015 £000
Amounts due 2 to 5 years				
Amounts due to grant recipients	502	-	473	-
<b>Total creditors &gt; 1 year</b>	<b>502</b>	<b>-</b>	<b>473</b>	<b>-</b>

**11. Analysis of net assets between consolidated funds at 30 June 2016**

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Tangible Fixed Assets	708	-	461	1,169
Net Current assets	2,524	2,597	-	5,121
Liabilities > 1 year	-	(502)	-	(502)
<b>Total net assets</b>	<b>3,232</b>	<b>2,095</b>	<b>461</b>	<b>5,788</b>

Unrestricted funds comprise income funds that represent the company's reserves and the fixed assets and investments acquired with such funds.

Restricted funds comprise income funds obtained to undertake the company's activities, where such funds have been given for specific purposes. The balances carried forward at the end of the year represent the net book value of the fixed assets acquired with these funds and the net current assets that comprise the individual balances of the funds received for specific purposes in advance of the related expenditure being incurred.

Transfers between the funds occur through the allocation of corporate support costs to activities financed by restricted funds.

The endowment fund relates to the donation and the development of a fixed asset using capital grant funding and is being amortised over the expected life of that asset.

## 12. Analysis of movement in fees and other income in advance

Where income is received that requires BITC to meet specific commitments arising, or services to be delivered, after the balance sheet date, they are carried forward as fees and other funds in advance and released when those commitments are satisfied or services delivered

	Brought Forward 1 July 2015	Released During Year	Deferred During Year	Carried Forward 30 June 2016
	£000	£000	£000	£000
Membership of Campaigns	587	(567)	696	716
Employee Volunteering	115	(115)	162	162
Projects, Programmes & Events	1,686	(1,625)	1,169	1,230
Business Class	561	(561)	270	270
<b>Total</b>	<b>2,949</b>	<b>(2,868)</b>	<b>2,297</b>	<b>2,378</b>

## 13. Transition to FRS102 prior year end adjustment

### Reconciliation of Funds

	At 1 July 2014	At 30 June 2015
Funds as previously stated	6,629	6,110
Holiday Pay accrual	(308)	(344)
<b>Funds as restated</b>	<b>6,321</b>	<b>5,766</b>

### Reconciliation of 2015 surplus for the year

	2015 £000
2015 surplus as previously stated	(519)
Adjustment in the year to the holiday pay accrual	(36)
<b>2015 surplus as restated</b>	<b>(555)</b>

## 14. Lease Commitments

(a) The company has financial commitments in respect of operating leases for land and buildings which will terminate after five years from the Balance Sheet date, and office equipment which will terminate between one and five years from the Balance Sheet date. The total amount of future minimum lease payments under non-cancellable operating leases are:

	£000
(i) Not later than one year	12
(ii) Later than one year and not later than five years	1,697
(iii) Later than five years	473
<b>(b) Lease payments recognised as an expense</b>	<b>383</b>

## 15. Capital Commitments

No material capital commitments were contracted for at 30 June 2016 (2015 £nil).

## 16. Taxation

As a registered charity Business in the Community is entitled to certain exemptions from corporation tax on profits from investments and any trading activities carried on in furtherance of the Charity's primary objectives. Subsidiary trading companies pay any taxable profits to the Charity each year as Gift Aid and thus do not incur corporation tax.

## 17. Related Party Transactions

Details of the income and expenditure positions and balance sheets for the subsidiaries are shown in note 6 to the accounts. During the year the Charity received gift aid from BITC Trading & Advisory Ltd of £784k (2015: £699k). At the year end the amounts owed to the Charity were £32k (2015: £10k) from Prince's Countryside Fund, £31k (2015: £29k) from Countryside Fund Trading Limited and £221k (2015: £49k) from BITC Trading & Advisory Ltd. Business in the Community charged Prince's Countryside Fund, £70k for support costs including accommodation charges (2015 £52k)

There were no further transactions between the charity and related parties in the year. The transactions with companies whose directors are Board members fall outside the disclosure requirements as they do not comprise related party transactions within the definition of the charities' SORP. All such transactions including those disclosed have been carried out in the normal course of the charity's activities.

## 18. Financial Instruments

At the balance sheet date the consolidated group held financial assets at amortised cost comprising cash and short term deposits, trade debtors, other debtors and accrued income of £11,351k (2015: £12,206k) and financial liabilities at amortised cost, comprising trade creditors, other creditors and accrued expenditure of £2,984k (2015: £3,369k). Total interest income received in respect of financial assets held at amortised cost totalled £27k (2015: £27k).

## 19. Business Names

The names used by Business in the Community for its principal initiatives are:

The Prince's Business Emergency Resilience Group BERG	Engaging business to help communities across the UK to prepare for, respond to and recover from emergencies
Responsible Business Awards	Recognise and promote best practice within all aspects responsible business
arc	Encouraging Social Enterprise
The Prince's Ambassadors	Empowering other organisations to deliver on the Prince's priorities on responsible business
The Prince's Seeing is Believing programme	Providing social insights for business leaders
The Prince's Rural Action Programme Prince's Countryside Fund	Engage businesses to make a positive difference to rural communities
Access the Buyer Ban the Box Business Action on Homelessness/Ready for Work/Ready to Go Business Class Business Connectors Employee Volunteering CommunityMark CR Academy Engage Give & Gain Day Healthy High Streets Mosaic / Enterprise Challenge Talent & Skills Prohelp	Engage business to build sustainable and inclusive communities
Opportunity Now Race for Opportunity Age at Work Wellbeing at work	Diversity in the workplace
International Tourism Partnership Youth Career Initiative	Encourage sustainable and responsible practice within the hospitality industry
Arts & Business Arts & Culture	Using art and business support to regenerate communities and stimulate economic growth

## 20. Acknowledgements

Our funds are received from many public, private and charitable sources, all of which are essential to our continued engagement and are valued and appreciated by BITC and its campaigns and regions. As the number of our supporters is considerable we only list below those funds that we received during the year which are required to be disclosed under the terms of their funding agreements. All funds are applied in accordance with the terms of such funding agreements. These listed are not all and not necessarily the largest of the funds received, all of which have contributed to the activities undertaken during the year.

Provider	Project	FY 2015/16 £
Aberdeenshire Council	Business Class	8,000
AlFaisal Without Borders Foundation	Mosaic Programmes	249,994
Apax Foundation	Apax-Mosaic Enterprise Challenge	85,950
Ashton Community Trust	LEMIS+	10,943
Barclays	Delivery of Life Skills in Wales	73,530
Belfast City Council	City Wide Employers Forum	13,500
Big Lottery Fund	Addiction NI - Drink Wise Age Well	29,948
Big Lottery Fund	Addiction NI - Drink Work & Me Programme	23,536
Big Lottery Fund	Aiming Higher, NI	76,146
Big Lottery Fund	Business Connectors Project	899,983
Big Lottery Fund	Support for Housing Sector SIB	107,533
Bombardier	City Wide Employers Forum	25,000
Bristol City Council	Bridge the Gap	18,454
Bristol City Council	Bristol Action on Homelessness Support: Ready To Go	38,000
Bristol City Council	Step Up To Work	33,334
Bristol Drugs Project	Bristol drugs project	48,750
Building Change Trust	Tomorrow Today Programme	6,000
City & Guilds Group	Future Proof Project	350,000
DEFRA	Surface Water Drainage	44,900
DEFRA	Water Stewardship in Food Supply Chains	113,771
Department For Communities & Local Govt	ProHelp	19,409
Department for International Development	Mosaic International Leadership Programme	151,000
Department for International Development	Support for International Disaster Relief Award	167,711
Department for Works and Pensions	Bradford Ready for Work	27,200
Department of Education for NI	Charter Work Experience	100,000
Department of Education for NI	Time to Read Programme	50,000
Department of Employment & Learning	City Wide Employers Forum	15,074
Department of Enterprise, Trade and Investment	Social Enterprise NI	123,704
Department of Finance and Personnel	Digital Assist	35,000
Department of Social Development	Young People on Board	17,053
Derry City & Strabane District Council	Volunteering Action Plan	7,000
Dundee City Council	Business Class	6,000
ERDF (Interreg IVB NPP )	Tackling Youth Employment	13,332
Ernest Cook Grant	Paired Reading	4,000



Fast Track Into Info Systems (Erasmus)	Youth Employ GAP	24,105
Field Studies Council	Green Entrepreneurs Europe	7,206
GMCVO	Manchester Talent Match	82,289
Great Yarmouth Borough Council	Neighbourhoods That Work Project	72,846
Heathrow Community Fund	Mosaic Programmes Support	125,000
Hertfordshire County Council	Herts. Healthy Workplace	82,214
Home Office	EIF Project	26,739
Human Appeal International	Support for Mosaic as Silver & Platinum Patrons	100,000
Lagan Construction Group Ltd	City Wide Employers Forum	10,000
Leeds City Council	Leeds Ready for Work	45,242
NI Environment Agency	Salary Support	4,475
NI Environment Agency	Strategic Partnerships	29,530
Peoples Post Code Lottery	Grant Management & Impact Reporting	26,920
Peoples Post Code Lottery	Mosaic	100,000
Peoples Post Code Lottery	Ready For Work	14,583
Peoples Post Code Lottery	Scotland Skilled Workforce	58,063
Peterborough County Council	Wellbeing - Healthy Workplace Programme	22,500
Public Health Agency	£ for LB Challenge	5,000
Public Health Agency	Protecting Mental Health at Work Conference	14,000
Qatar Shell Service UK	Enterprise Challenge - Qatar	128,612
Scottish Government	Early Years	23,002
Scottish Government	Food For Thought	26,229
Scottish Government	Safer Communities - Business Class	12,500
Scottish Government	Safer Communities - Ready For Work	15,000
Scottish Government	Town Centre Regeneration	15,377
Scottish Power	Gala Dinner	10,000
State Street	Ready for Work Venture Trust	4,183
The Prince's Charities	PWCF Award for the Business Connectors Programme	17,000
The Royal Foundation of the Duke and Duchess of Cambridge and Prince Harry	The Vets Net Programme	36,600
UK Commission For Employment and Skills	Business Class	224,654
UK Islamic Mission	Mosaic Programmes Support	25,000
Virgin Money	Gala Dinner	20,000
Welsh Government	Enhanced Employer Engagement	200,000
Westfield Health	£ for LB Challenge	10,000
Woking Borough Council	Mosaic Program Support & Enterprise Challenge In Woking	7,500

## President

**HRH The Prince of Wales KG KT PC GCB OM**

The present directors of the company are as follows:

Chairman

**Antony Jenkins**

Shadow Chair, Institute for Apprenticeships

Vice Chairman

**Steve Holliday**

## Directors

**Roy Adair CBE, Chief Executive**  
Belfast Harbour Commissioners

**Claudine Blamey**  
Head of Stewardship, The Crown Estate

**Sir Ian Cheshire**  
Chairman, Debenhams;

**Paul Drechsler CBE**  
Chairman, Bibby Line Group, President,  
CBI and Chairman, Teach First

**Jayne-Anne Gadhia CBE**  
Chief Executive, Virgin Money Holdings  
(UK) Ltd (re-appointed 1 January 2016)

**Christine Hodgson**  
Chairman, Capgemini UK Plc

**Phil Hodgkinson<sup>1</sup>**  
Chair, Action Medical Research

**Steve Hughes**  
Group Finance Director, Principality  
Building Society

**Vivian Hunt**  
Managing Partner, McKinsey &  
Company

**Richard Hutton<sup>2</sup>**  
Finance Director, Greggs (appointed 12  
July 2016)

**Christopher Hyman CBE**

**Adrian Joseph**

**John M Neill CBE<sup>1</sup>**  
Chairman & Group Chief Executive,  
Unipart Group

**Jeremy Pocklington<sup>2</sup>**  
Director General, Markets &  
Infrastructure, Department for Business,  
Energy and Industrial Strategy

**Tim Porter**  
Managing Director, Lex Autolease

**Chris Satterthwaite**  
Chief Executive, Chime Communications  
Plc

**John Spence CBE<sup>2</sup>**  
Non-Executive Chairman, Callcredit  
Information Group

**Duncan Tait**  
Head of Europe, Middle East, India and  
Africa, Fujitsu

**Francesco Vanni d'Archirafi**  
Chief Executive Officer, Citi Holdings

**Keith Weed**  
Chief Marketing & Communications  
Officer, Unilever

**John Williams**  
Vice Chair, Association of Chairs

The following directors have retired,  
who also served during the year:

**John Cridland CBE**  
Director-General, CBI  
(retired 16 November 2015)

The following non-Board members  
serve on the Audit Committee:

**Denise Larnder**  
Partner, EY

**Joe Greenwell**  
Chairman, RAC Foundation

The following non-Board members serve  
on the Finance and Risk Committee:

**Tom Atherton**  
Group Finance Director,  
Dairy Crest Group

**Spencer Sheridan**  
Finance Director,  
Mitie Facilities Management

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## Vice-Presidents

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**Dame Julia Cleverdon DCVO CBE**

**Sir Stephen O'Brien CVO**

**Sir Mark Weinberg**

## Advisors

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### Bankers

**Barclays Bank PLC**

1 Churchill Place

London E14 5HP

### Solicitors

**Bates Wells & Braithwaite**

10 Queen Street Place

London EC4R 1BE

### Auditors

**Crowe Clark Whitehill LLP**

St Bride's House

10 Salisbury Square

London EC4Y 8EH

## Business in the Community's Senior Staff are:

### Chief Executive:

**Amanda Mackenzie OBE**

(from October 2016)

### Finance Director

**Alison Grieve**

### Human Resources Director

**Françoise Seacroft**

### Community Director

**Paul Buchanan**

### Field Director

**Patrick Mallon**

### Company Secretary

**Lesley Wolfenden**

### Environment & Market Solutions Director

**Stephen Farrant**

### Membership Director

**Patrick O'Meara**

### Managing Director, Business in the

Community Scotland & Director of

External Affairs, BITC

**Jane Wood**

### Communications Director

**Gail Greengross LVO**

### Executive Director

**David Pemberton**

## Country Directors:

### Scotland

**Jane Wood**

### Northern Ireland

**Kieran Harding**

### Wales

**Matt Appleby**

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## Registration Details

Business in the Community is registered as a charity in England and Wales (297716) and Scotland (SC046226)

Company limited by guarantee No 1619253.

### Registered Office:

137 Shepherdess Walk,

London N1 7RQ

Telephone: 020 7566 8650

Website: [www.bitc.org.uk](http://www.bitc.org.uk)

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[www.bitc.org.uk](http://www.bitc.org.uk)



**BUSINESS  
IN THE  
COMMUNITY**



**THE PRINCE'S  
RESPONSIBLE  
BUSINESS NETWORK**