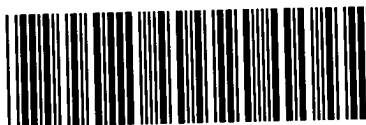


Annual Report 2014

It's time for a new
contract between

business and community

THURSDAY



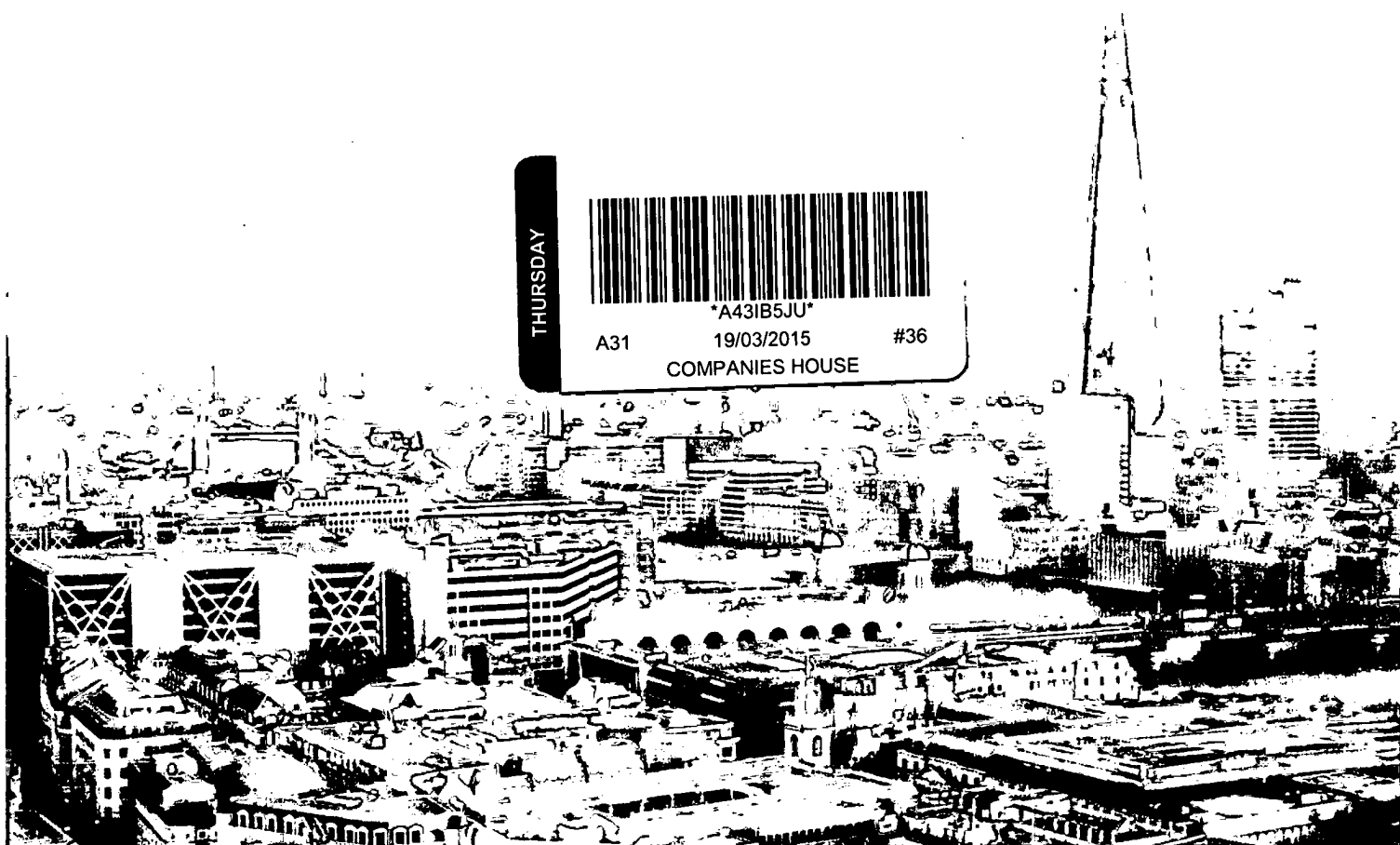
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COMPANIES HOUSE





We finished our 2013-14 year on a strong note, with excellent engagement from our members, a healthy pipeline of new members, an impressive list of achievements and solid finances.

Our impact cannot be readily assessed in financial terms alone but it serves to underpin our activities. The financial numbers I track are our total incoming resources, this year up 10% to £31.3m and our unrestricted surplus which this year was £321k giving unrestricted funds balances at the end of June 2014 of £3.264m.

2014-15 is the final year of our three-year programme structured around what we 'asked' of our members and what we 'offered' to them as we work together to improve society. As well as finishing what we started, this year will see us test and re-focus on key issues so that they can be adopted for our 2015-16 plan.

We launched our new contract between business and society at our AGM & Leadership Summit in February. The contract creates a focus for our work setting out the issues that are fundamental to securing the future prosperity of business and society, and which we believe all businesses need to address.

The Leadership Summit was the first of a series of platforms over 2013-14 in which we shared the recommendations from our research *'Taking it Personally'* which helps us define the need for a new type of practical leadership to create change and deliver on the contract.

Antony Jenkins, CEO of Barclays, used the Summit to share his intention to take over the chairmanship from Mark Price in February 2015. He will use his position to drive the leadership agenda.



Practical leadership action was also the theme of this year's Responsible Business Week which saw a big increase in participation across the UK. Much of this results from our increased profile and positioning in the media, enabled by the focus on issues rather than the various sub-brands. We also have a better ability to share our research, learning and experience, and have seen a greater use and recognition of our iconic Business in the Community 'planter'.

Our awards are the highest accolade we give to leading businesses. We have been fortunate this year in the legacy that Jaguar Land Rover has created as the Responsible Business of the Year 2013 and look forward to the impact that National Grid, who has taken over the mantle for 2014, will bring.

We continue to focus and communicate our work within the key areas of marketplace sustainability, workplace, enterprise, education and employment and this year have seen highlights include: an exciting new campaign *Ban the Box*, a scaled up focus on mental health in the workplace, positive outcomes from our *Healthy High Streets* programme and the increased impacts from our Business Connectors and Business Class.

I would like to close by thanking the staff team at Business in the Community for all their hard work, enthusiasm and contribution, and the Board for their commitment and energy in driving forward the agenda. I look forward to working with you in 2015, a special year for BITC in which we celebrate 30 years of the leadership and vision of HRH The Prince of Wales as our President.

Stephen Howard, Chief Executive

Strategic Report 2014

Business in the Community campaigns for responsible business. Building on 30 years of action, we harness the power of business to create a fairer society and more sustainable future.

We are a business-led charity with a membership of over 830 companies, driving a movement of the thousands more that are engaged in our campaigns.

Together we are the largest and most influential leadership network focused on driving responsible business practice.

We are one of the Prince's Charities, a group of not-for-profit organisations.

We do two things:

- **We offer** a range of services that challenge, support and inspire members and help transform their businesses.
- **We ask** our members to work with us on specific campaigns that have an impact in the workplace, marketplace and community.

Collaborating for impact:

- Over £13 million has been leveraged through the Business Connector programme, in support of English communities most in need. 121 Business Connectors have supported over 3,000 organisations to access business support at a local level.
- Whitbread and the British Hospitality Association hosted 20 Big Conversations across the country, securing support from 1,200 hospitality sector employers of all sizes. Together they have made 34,400 jobs or training opportunities available for young people with a target of 60,000 pledges in place by the end of 2015.
- Business in the Community is a catalyst for the development and implementation of collaborative employee volunteering programmes in countries around the world. In the last year these ENGAGE Key Cities programmes run by partner organisations have enabled 12,148 employees from 294 companies, to volunteer 44,286 hours that have benefitted 298 organisations and 98,440 people in 33 cities around the world.

Responsible
business
starts at
www.bitc.org.uk

EDUCATION & YOUNG PEOPLE

Our goal is for every young person, particularly those facing social disadvantage, to receive support from business to help them build successful working lives.

Last year we set a goal that by 2015 we aim to have positively supported and inspired 75,000 young people from 500 UK schools in challenging circumstances through partnerships with business. We are on course to meet this target by Spring 2015.

Through our mentoring initiative Mosaic and our wider diversity campaigns, we also deliver programmes focused on young people from Black and Minority Ethnic (BAME) communities.

Business has a clear and proven role in supporting young people while they are in education and during the transition into work.

We know that consistent engagement with business can transform the life prospects of young people. Research suggests that experiencing four or more employer engagement activities makes a young person five times less likely to be unemployed.¹

That is why we focus our education programmes on connecting businesses, young people, and the schools they attend, on a long term basis.

We know that young people from disadvantaged backgrounds are 10 times less likely to go to Russell Group universities than the least disadvantaged.² Which is why we focus efforts on where business can have the greatest impact - the most deprived schools³ with the greatest risk of generating young people who do not achieve their potential.

Education has both global and local significance. 40% of 1000 global CEOs surveyed by Accenture⁴ put education amongst their top priorities to address for the future success of business. And 75% of businesses believe a significant skills crisis

will hit the UK within the next three years.⁵ Working in schools enables businesses to actively address this by directly ensuring the next generation are prepared for the working world, and have realistic understanding of the needs of employers and the access routes to potential careers.

Business in the Community's pioneering Big Conversation model helps to address the skills shortage head on by bringing business leaders face to face with young people to encourage them to foster a better understanding of their needs.

Underpinning all of our activity is collaboration. Our schools partnership programme Business Class brings clusters of business-school partnerships together in a local area to share knowledge, insight and best practice. Business in the Community is also a founding member of the Fair Education Alliance, launched in 2014 to join up organisations and charities working in education to end educational inequality.

Training is not aligned to the labour market; last year 94,000 people were trained in beauty and hair for just 18,000 jobs, while only 123,000 were trained in the construction and engineering sectors for an advertised 275,000 jobs.

(IPPR Remember the Young Ones 2014)

Only **1 in 8** children from low-income homes goes on to achieve a high income as an adult.

(Social Mobility Commission State of the Nation 2013)

Key activities and progress up to 30 June 2014:

- 6,508 students had the opportunity to be inspired and supported by over 1,000 mentors from a range of professional backgrounds through Mosaic. Mosaic's mentoring programme ran in 218 schools, including 50 primary schools

¹ Education and Employers Taskforce 2012

² Sutton Trust 2014

³ 59% of Business Class schools fall within the most deprived urban and rural communities in England. 86% of schools partnered by businesses through our Business Class programme have above average above average numbers of children on Free School Meals

⁴ Addressing sustainability challenges: Accenture report for the UN Global Compact 2013

⁵ Skills Crunch Prince's Trust 2014.

- Through Business Class, 220 companies have supported 57,450 young people in 293 schools over the past year. 383 partnerships have been set up since the programme launched in 2008 in 66 locations.

Business Class launched in 10 schools in Wales with 10 companies engaged.

17 Business Class partnerships are operating in Northern Ireland, impacting 12,000 secondary level pupils.

As part of the Princes Rural Action Programme we have established 21 Business Class partnerships in rural schools to meet the growing challenges faced by young people in rural areas at risk of becoming NEET.

- A £2.45 million UKCES investment, beginning in January 2013, has enabled us to establish 118 new Business Class partnerships by the end of June 2014 and offer additional activities in some existing clusters. To date this investment has allowed us to leverage a further £3.2 million pounds of in kind support from business into schools, and secure over 6,000 days' time from business volunteers.
- Business Class is now international. It is being delivered in Australia by Schools Connect Australia under licence from Business in the Community and tailored to the needs of Australian schools and businesses.
- Similarly, Mosaic's Enterprise Challenge is delivered with local partners in Jordan and Qatar, with interest from a number of other countries.
- Through our ENGAGE Key Cities programme, young people around the world are being supported to develop education and employability skills as appropriate to the local market. Over 51,000 young people have benefitted, through 215 companies and 5,165 volunteers. The programme takes place in countries including Belgium, China, France, Germany, Hong Kong, Italy.

"The CBI is absolutely with Business Class, it is a phenomenal way to involve businesses in education."

Jon Cridland, Director General CBI at the Business Class Symposium, April 2014

75%

of British businesses believe a significant skills crisis will hit the UK within the next three years.

- 4,645 young people from 116 schools gained vital enterprise and business skills through participation in the annual Apax-Mosaic Enterprise Challenge. In our largest competition to date, 472 professional mentors participated including in new areas of Bristol, Liverpool and Hull.
- Whitbread and the British Hospitality Association hosted 20 'Big Conversations' across the country, securing support from 1,200 hospitality sector employers of all sizes. Together they have made 34,400 jobs or training opportunities available for young people with a target of 60,000 pledges in place by the end of 2015.

By 2015 Business Class will support 75,000 young people in 500 schools, and Mosaic will support 6,400 in 222 schools.

"This partnership with Mosaic has not only widened students' horizons, but has raised their aspirations, ambitions and attainment – which was reflected in last year's Outstanding Ofsted grading. The exceptional contributions from Mosaic business mentors who volunteer their time and experience make a real difference and continues to change lives."

Assistant Principal, Westminster Academy, London

EMPLOYMENT

Our goal is that everyone, particularly those with significant barriers to overcome, receives support from business to build the skills and confidence to gain and sustain employment.

Our targets were to proactively support 1,500 people a year to overcome significant barriers and gain employment; and for 300 businesses to commit to removing barriers and actively support those furthest from the workplace.

We made good progress towards these targets, supporting 1,300 individuals through our Ready for Work, YCI and Mosaic programmes as well as the Graduate Acceleration Programme (GAP) in Northern Ireland. We also engaged over 400 businesses

Since setting the targets in 2011 we have placed more emphasis on influencing corporate recruitment policy to make roles more accessible for people facing barriers to work. This work has had a particular focus on people with convictions and young people and has led to 176,000 roles become more accessible to ex-offenders through Ban the Box

In a survey of 1,000 global CEOs, 64% of them selected growth and employment as one of their top priorities to address for the future success of business⁶.

We focus our programmes on proactively supporting those furthest from the workplace who are most likely to become long term unemployed and remain economically inactive.

Through our programmes and campaigns employers are able to unlock talent and go above and beyond their standard policies and procedures to transform their employment practices and help more people into work.

Our work helps individuals to overcome the barriers preventing them from gaining and sustaining employment. For example, we work with young people with no workplace experience, and adults who have been long-term unemployed and face barriers to work, such as homelessness or discrimination due to previous criminal conviction¹.

⁶ Addressing sustainability challenges: Accenture report for the UN Global Compact 2013

Key activities and progress up to 30 June 2014:

- In January 2014 the 3,000th participant found employment as a result of our Ready for Work scheme.

673 people facing multiple barriers to work, including homelessness, unspent convictions, and experiences of substance or alcohol misuse completed our Ready for Work programme – supported by 150 businesses providing support for training, volunteers, job coaches and work placements to enable participants to build the skills and confidence they need to enter employment

- 251 Ready for Work participants gained employment - 69% of these sustained work for 3 months or more.

3,000

people have found long-term sustainable employment through our Ready to Work programme to date.

- The Mosaic Ex-Offender programme was developed in response to the increasing numbers of young Muslims residing in prisons in England and Wales. In 2013/14, we were active in 11 prisons and youth offender institutions, trained 96 mentors and mentored 37 offenders.
- Ban the Box launched in October 2013, calling on UK employers to create a fair opportunity for ex-offenders to compete for jobs by removing the criminal record disclosure tick box from application forms and asking about criminal convictions later in the recruitment process.

In the first 9 months of the campaign, 16 employers with a combined workforce of 176,000 committed to ban the box and value the skills and abilities of people with criminal convictions.

Through television, print, radio and online media coverage, an award-winning interactive

film and a series of events and webinars, the campaign has led the debate on the topic of employment for ex-offenders. The campaign team has been shortlisted for the Charity Times 'Campaign Team of the Year' Award.

- Our Youth Career Initiative for unemployed young people has been implemented in 14 countries, providing transformative life and work skills for some of the world's most vulnerable people. In 2013-14 we launched the programme for the first time in Dakar (Senegal), Atlanta (US), Budapest (Hungary) and New Delhi (India).
- Through the employer led 'Generation Talent' initiative, we have formed a powerful partnership with the Department of Work and Pensions. With support from Minister Esther McVey, we have secured two two-year secondees from the department, who are supporting our members to source increasing numbers of their new recruits from Jobcentres around the country.
- During Responsible Business Week, we piloted 'Time2Talk' events bringing 60 young people face to face with employers in Jobcentres across the country. These events proved so effective that the Department for Work and Pensions have asked us to develop the model for rollout across more Jobcentres.
- We developed the 'Generation Talent' recruitment tool to help employers critically evaluate how 'youth friendly' their recruitment practices are. Through the tool, 80 employers have made small changes to their recruitment processes that will have a big structural impact on the labour market, making it fairer for young and unemployed people.
- Following a successful Prince's Seeing is Believing visit in November 2013, which highlighted the need for employers to increase the transparency of their recruitment processes, we piloted Mentoring Circles for young jobseekers from Black, Asian and Minority Ethnic (BAME) backgrounds. 52 of the 90 young people from the hardest-to-help groups are now in full time work.
- We led the development of the Bright Crop initiative to inspire more young people to consider a career in farming and food supply, by educating them on the diverse breadth of roles within the sector.
- 75% of young people that have taken part in the *Step Up To Work* employment programme in Bristol have immediately gone on to employment, training or volunteering.

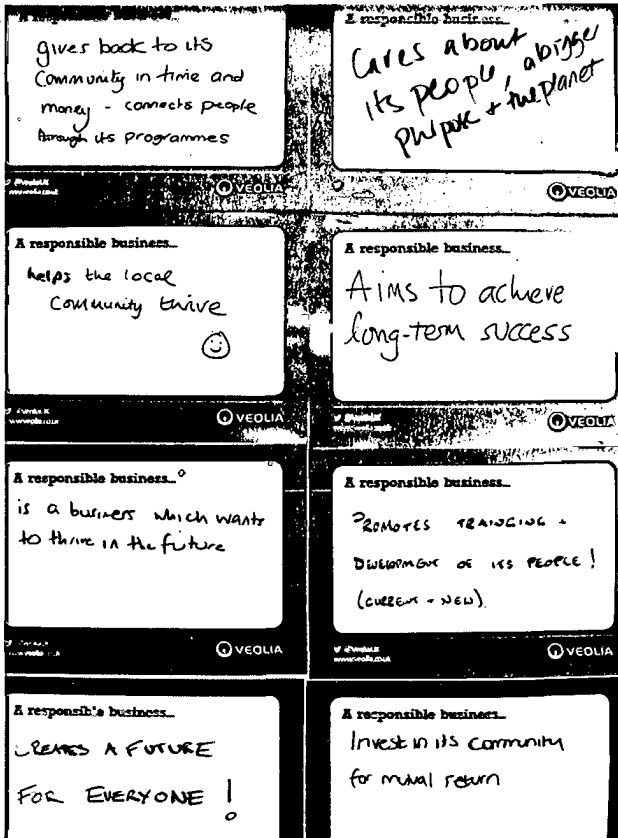
- Over 200 unemployed people were supported into work this year through the Graduate Acceleration Programme (GAP), Youth Employment Scheme, Citywide Employers' Forum and Strive to Work initiatives in Northern Ireland.
- Employment is a key theme of a number of the 33 ENGAGE Key Cities programmes working across the world, with programmes operating in Belgium, Hong Kong, France, Germany and Italy. Together these employment programmes benefit 13,424 people through 1,814 volunteers from 129 companies.

By 2015, 700 people will have been supported through Ready for Work and 75 in the Mosaic ex-offenders programmes; an additional 50,000 vacancies will be made visible to young unemployed people through Jobcentre Plus with Generation Talent; 300 people will have been supported into work in Northern Ireland with a further 300 helped towards other positive outcomes; internationally, the Youth Career Initiative will provide opportunities for 500 young people.

"The routine is great and the feeling of purpose is so much better than being on benefit. I really feel I am a great role model to my children. The programme was the stepping stone I needed to get back into work. It has totally changed my life. It's just brilliant!"

Carol, a single mother of 5 suffering from depression, was unemployed for 6 years. The Ready for Work programme gave her the opportunity she needed to build a better life for her children and find work with M&S.

Responsible Business Week 2014



ENTERPRISE AND CULTURE

Our goal is for business to support the creation and growth of small & medium enterprise and the arts, in order to stimulate economic growth, create jobs and reduce social deprivation.

Small & Medium Enterprises (SMEs) are extremely important to the economy and the communities in which they operate:

- SMEs account for 99% of businesses in the UK and are the backbone of the UK economy.
- Nine out of ten unemployed people who found work in the private sector since 2008 started or worked in an SME.
- In 2011 SMEs employed 13.8 million people and had a combined turnover of £1.5 billion – almost half of the turnover in the UK private sector.

As the UK begins its economic recovery it is the private sector that is expected to drive economic growth with SMEs playing a crucial role. Yet SMEs are struggling to access finance to start-up and grow and to get into company supply chains.

Last year we set ourselves a target that by 2015, 600 small businesses or social enterprises will have been supported to help 1,500 people into work, with a focus on those from deprived groups. We are on track, having supported 953 SMEs and helped 1,145 people into work – 70% of whom are from deprived groups.

After a difficult period of integration into BITC following the merger of Arts & Business and the organisation, we have developed a new strategy underpinned by a new business model. Under the new leadership of Ann Drew the Arts and Business team is working hard on the transition plans in order to bring the new strategy to life.

Key activities and progress up to 30 June 2014:

A key focus of the enterprise programme has been to open up large business supply chains to small businesses to support growth and create jobs, including:

- The Access the Buyer programme sponsored by Santander has connected 21 buyers to 205 SMEs in targeted industry sector events nationwide.
- Nineteen major businesses with a combined buying power in excess of £25bn in the UK

Blakemore Fine Foods gives British SME food and drink producers a cost effective means of reaching retailers through the logistics infrastructure of its parent company. The business has helped 180 SMEs, delivering sales worth more than £13.5m to customers.

"Small businesses are vital to building the UK economy. As large businesses, we've got a responsibility to support them and help them grow."

Commercial Manager Caoire Blakemore

have signed up to The Access Pledge – a commitment to make their procurement processes open, fair and transparent to all.

- arc supported by Founding Partners BP, Deloitte and Visa Europe continues to grow, with 87 social enterprises supported helping 735 people into work.
- We launched the Healthy High Streets campaign backed by Boots, Co-operative Group, Marks & Spencer and Santander to increase footfall, create jobs and fill empty units on 100 high streets. This follows on from our work on the Portas Pilots in the previous year.
- Arts & Business has supported 260 arts organisations through its business matching programmes which has enabled them to convey business expertise and support, and to greatly enhance their stability and endurance.
- On 11 December 2013, HRH The Prince of Wales presented five medals for Arts Philanthropy. The annual medal celebrates individuals who support the growth of arts across the UK.
- The New Enterprise Allowance Programme has helped entrepreneurs to develop and flourish in Derbyshire. 1,479 aspiring entrepreneurs have been matched with a mentor, 1,073 business plans have been approved and 720 entrepreneurs have reached 26 weeks of successful trading.
- In the East Midlands the ProHelp and Business Champions programmes are bringing valuable business resource into the community. ProHelp engages 100 professional firms and Business Champions has 130 individual

business mentors. In 2013 they jointly provided 4,125 hours of support, equating to £407,342.

- In the East of England ProHelp groups operate in Norfolk, Suffolk and Cambridgeshire with a network of 120 professional firms. In the last year those firms have given over 3,649 hours to over 200 local community groups, equating to £542,734 of Probono work.
- The Social Enterprise Mentoring Programme in London and Great Yarmouth gives experienced business leaders the opportunity to use their skills to support social entrepreneurs to grow their businesses and help create the jobs of tomorrow. In London there are 104 matched mentors and social enterprises with 78% of social entrepreneurs making a specific change to their business as the result of the mentoring. In Great Yarmouth 12 social enterprises are engaged and receiving support.
- The Prince's Countryside Fund provided grants to a number of initiatives giving advice and guidance to over 1,000 farm business, and further supported networks of more than 360 rural enterprises.

This year The Prince's Countryside Fund awarded grants of nearly £1.3m to 28 organisations, including three grants specifically in relation to a flooding emergency appeal.

- Through the Prince's Dairy Initiative, 51 new dairy farm businesses were engaged, and we continued to support 24 farmers from the previous year.
- Through ENGAGE Key Cities companies have a way of channelling their employees' passion, time and skills to support the creation and development of enterprises as well as supporting relevant cultural heritage and arts offering to the community in Slovakia, Czech Republic and Dubai. Together 135 companies through 4,846 employees have supported 61,711 beneficiaries.

By 2015 we will achieve our Olympic legacy target to create 1,000 jobs in East London through our social enterprise support initiative, arc, and will have directly supported 60 local high street partnerships, and created 1,200 jobs through our corporate partners. We will launch a new Arts & Business campaign to drive growth and job creation in the cultural sector.

MARKETPLACE SUSTAINABILITY

Our goal is for business to thrive, while providing more people with higher quality lives now and in the future.

According to the United Nations, we will need 70% more food in 2050 than we do now and the price of natural resources will continue to rise.

Business is integral to solving the world's biggest challenges including cutting dependency on our diminishing natural resources and giving more people higher quality lives now and in the future.

Yet we know that business can do more. 67% of global CEOs do not believe that business is doing enough to address global sustainability challenges⁷.

Our focus is to demonstrate the economic case for putting sustainability at the heart of business strategies and operations. At the same time, our work equips businesses with the practical tools and opportunities to engage all stakeholders (from consumers right up to the board) in this conversation about sustainability.

Last year we set ourselves a target that by 2014, we will have commenced a long-term programme to showcase how Business in the Community members are making a real and positive impact on how people can live more sustainably. We are on track having realigned our Marketplace Sustainability offer with a focus on boardrooms, customers, and demonstrable action.

In 2014-15 we will work with our members to demonstrate the economic significance and value of the creation of more sustainable business models. We will focus on resource efficient production, global mega-trend impacts, integrated reporting benefits, marketing, and investor opportunities. We will convene businesses on energy, water and waste; showcase circular economy trends; communicate good practice in supply chain management, and launch a new business collaboration campaign.

Key activities and progress up to 30 June 2014:

- We have reached out to almost 50 companies operating nationally and internationally across a range of sectors to better understand and

Five city summits were held with IBM and Centre for Cities to discuss the challenges of a Smarter City.

The webinars that complemented these physical events engaged over 20,000 people.

analyse their sustainable supply chain models, business case and examples of innovation

- Through our work on international disaster relief we have reached out to hundreds of businesses to raise awareness and understanding of the impact of international disasters, in all its forms, on business sustainability.
- We convened 15 senior business leaders from our Water Task Force companies on a Seeing is Believing visit in Cumbria to learn first-hand lessons from the 2009 floods. The insight, along with their ongoing work will contribute to a new publication about water scarcity, and innovative business-led solutions to this, with the response to this due for publication in December 2014.
- We ran Get Food Smart a public-facing campaign driven by 20 consumer-facing brands to encourage customers to be mindful of their food. We ran advertising on 175 Transport for London buses (in zones 1 & 2), combined the participating brands helped to reach 408,000 people, through Facebook we achieved 2.37 million views and reached 10.8 million twitter timelines during the fortnight of the campaign in June.
- Through the International Tourism Partnership, our carbon measurement methodology (HCMI) has been adopted voluntarily by 18,000 individual hotels worldwide up to June 2014. The methodology provides clear, consistent and comparable information to participating hotels - demonstrating that competitors across an entire sector can become effective partners on sustainability.
- 47 Companies took part in our Environmental Index gaining valuable insight into how their environmental performance measures up against their peers.
- In Wales there were 427 participants in the successful Workplace Travel Challenge. In total, 6,656 sustainable journeys were made

⁷ Addressing sustainability challenges: Accenture report for the UN Global Compact 2013

and 13,000 car journeys avoided - saving their businesses £24,663 in business-related travel expenses.

- 46 businesses took part in Knowledge Swaps, giving them practical examples of how to take the next steps towards environmental sustainability for their business.
- We collaborated with M&S and Accenture to launch *Fortune Favours the Brave* – a ground-breaking report which revealed the £100 billion opportunity to be gained by businesses that embrace sustainability and long term thinking.
- Around 200 business leaders engaged in events about global mega trends, new business models, customer engagement and water stewardship.
- We reached 2,863 people from business in a powerful programme of events highlighting the positive contribution and impact of business on the Millennium Development Goals.

In 2015 we will have board level discussions hosted by key Leadership Team members; two customer collaboration campaigns on energy and waste; a sustainable supply chain publication with cross-sector case studies from a range of national and international businesses; three collaboration projects on decentralised energy; a water taskforce; a newly established Business Emergency Recovery Group (BERG) Leadership Team focusing on business resilience and continuity planning.

Give & Gain Day 2014



Spitalfields Crypt Trust, supported by employees from Grant Thornton

WORKPLACE & EMPLOYEES

Our ambition is a workforce that is fully representative of the community and that contributes to business and society through a fair, enriching and highly productive workplace.

Last year we set ourselves a target that by 2014, 200 companies would benchmark their workplace practices and 300 companies would access specialist advice and knowledge through membership of our gender and race diversity campaigns. We surpassed these targets.

Our primary activity is the provision of advice to organisations so that their workplaces are fairer and more productive, with happier and healthier employees.

A key issue is that the race and gender balance at every level in organisations should reflect the general population.

We will highlight the ethnic disparity at senior levels in both businesses and public institutions, calling on political parties to recognise that further government action is needed. We will continue to show the inequalities that exist for women in the workplace, as epitomised by the gender pay gap.

Poor mental health affects a significant proportion of the population (1 in 4 adults), and is a major cause of sickness absence. It is also thought to cost UK employers £26 billion each year – on average £1,035 per employee.⁸ Yet it is virtually unreported by employers. We are challenging the culture of silence on the issue.

Pension provision is inadequate now, and looks likely to be worse for future generations. Office of National Statistics figures show that in 2011, 1.4 million people were working beyond state pension age (SPA), 12% of the working population. With the abolition of the default retirement age, employers are having to plan for more generations working side-by-side.

We are launching a new campaign on age and intergenerational workplaces, responding to the social and economic imperatives of an ageing population. Its aims are to see more people in good work beyond the current state pension age (SPA), fewer people retiring involuntarily before SPA, and for these to be recognised as opportunities by employers and employees,

including in making the most of the diversity of thought and ideas that comes from intergenerational workplaces.

1 in 4

adults in the UK will experience a mental health condition in any given year, estimating the cost to the UK economy to be £70 billion per year.

Key activities and progress up to 30 June 2014:

- 204 companies benchmarked their workplace practices; 105 wellbeing benchmarks and 99 gender and race benchmarks. There were 323 companies taking membership to access our specialist advice and knowledge through our gender and race diversity campaigns.
- Our 2013-4 survey of 25,000 women in the workplace showed that 28-40 was the crucial age range for their careers. We found that special programmes were less important than good talent management, that Black, Asian and Minority Ethnic (BAME) women fared the worst, and that bullying and harassment were problems for all women at work. We will reflect these results in our 2014-15 programme of events and advice.
- We published *Race to the Top*. An analysis of census data illustrated gross under-representation of BAME in senior positions. This led to an ongoing campaign to bring this issue into reporting guidelines. We made a well-received formal submission to the Financial Reporting Council to see their governance code changed to put race and gender diversity on an equal footing.
- For the fourth year we partnered with The Times to produce the *Top 50 Employers for Women* listing and national supplement.
- Our *We're Ready to Talk* publication was launched at Responsible Business Week's Big Conversation on mental health. This high-profile debate focused on the culture of silence around mental health at work and asked why

⁸ Sainsbury's Centre for Mental Health (2007)

this exists when ignoring mental health in the workplace undermines the competitiveness and effectiveness of a business.

- In November 2013 we published a report into the intergenerational workforce and held three employer round-tables to discuss the findings. These discussions prompted us to move this work onto a more structured footing and in 2014-15 we will launch a new area for campaigning.
- Our members are aware of the power of volunteering to engage employees, build loyalty and boost productivity in the workplace, and actively give their time to support our campaigns. In the past year over 66,711 volunteers from 1,405 businesses and 31 countries have participated in our programmes, developing new skills and appreciation of the challenges that face our communities.
- During 2014 we ran a series of events to equip employers with understanding of and insight into the human rights agenda and support to embed The UN Guiding Principles on Business and Human Rights. Further events to support business in their implementation of The UN Guiding Principles are planned for 2015.
- Our regional wellbeing pilot, Business Action on Public Health, asks businesses in the East of England to actively support staff wellbeing and to use their positive influence to improve the health of the wider community. In the last year the project has engaged 450 employers and has run practitioner events with over 340 employees attending those events including a regional alcohol 'Seeing is believing' event led by Adnams.

In 2014-15 200 companies will benchmark their workplace practices; and 300 companies will access specialist advice and knowledge through membership of our gender and race diversity campaigns.

Only

1 in 13

management positions are held by an ethnic minority.

OUR OFFER TO OUR MEMBERS

Our goal is to connect companies to action. We work with members to develop an integrated approach to running a responsible business.

We work with members to develop and integrated approach to running a responsible business by offering:

- Strategic guidance and practical support
- Rating of performance against the CR Index, diversity and wellbeing benchmarks
- Resources, including management frameworks, toolkits and research
- Training and learning opportunities
- Volunteering brokerage services that connect business with community organisations and initiatives locally, nationally and internationally
- Access to an international network of global partners
- Brokering of new business partnerships that support knowledge-sharing and collaboration
- Seeing is Believing visits that provide CEOs and future leaders with first-hand experience of social and environmental issues in their community and an insight in to the vital role leadership can play in driving change

"Continuing with our membership of Business in the Community is quite an easy decision. Not only are we able to measure ourselves in a fair and transparent way, which in turn helps us to improve but we also get to meet and network with some great like-minded organisations that also help us on our sustainability journey. "Business in the Community have not only challenged but have coached us to be a better all-round industry player that is genuinely able to point to improved bottom line financial performance."

Kevin Hurst, Marketing and Communications Director, Veolia UK

Key activities and progress up to 30 June 2014:

- Over 4,000 face-to-face meetings were held by corporate advisers with member companies.
- 213 delegates attended 16 visits to community organisations as part of The Prince's Seeing is Believing Programme.
- We welcomed 110 new companies into membership.
- Over 100 companies were benchmarked in the CR Index, including re-accreditations, and 44 used the Responsible Business Check-Up tool.
- 2014's Responsible Business Awards attracted over 450 entries from businesses, with 159 Big Ticks awarded. Our rigorous assessment process involved 60 judges and 150 assessors from member companies and partner organisations, and was assured by Arthur D Little.
- The CommunityMark recognised 44 exemplar companies who achieved this quality mark of excellence and leadership in community investment.
- We offer a number of benchmarking tools to help businesses manage and measure their progress on responsible business. The Responsible Business Check-Up tool (designed for small and medium enterprises to better manage their responsible business practice) saw 44 participants.
- 87 business people were trained in responsible business management and issues through BITC's accredited training services.
- With funding secured from the Welsh Government, we launched a pilot Small Business Offer in Wales, for companies with under 50 employees.
- Give & Gain continues to provide companies with a mechanism to enable volunteering in work time. 96% of respondents said that they would volunteer with their employer again and 71% felt that they had developed skills as a result of volunteering that they could bring back into their business.
- In the UK alone, 14,632 employees from 207 companies volunteered their time on Give & Gain Day, supporting 640 community organisations. That's the equivalent of over £1.83 million investment in UK communities in a single day.
- We conducted seven important research projects across the breadth of responsible business.

SCALING UP

Our goal is to take what works and scale up the impact of programmes by replicating it across the UK and internationally and, where we can, to recognise the wider work that our member companies do in society.

Last year our targets were

- We will be active in every major city in the UK.
- Over 10,000 companies will be engaged in our campaigns.
- 81 communities will have a Business Connector with £10m in-kind support.
- The Prince's Countryside Fund will have supported 80,000 people in rural areas.
- 25,000 employees will participate globally through our CSR360 GPN partners in employee volunteering on Give & Gain Day with 15,000 in the UK.

We work locally through our area offices and our network of Business Connectors, providing support to our members working in the eight English 'Core Cities', the capitals of Belfast, Cardiff and London, and elsewhere in the UK.

Through the Prince's Rural Action Programme, we are implementing initiatives to underpin rural communities so that they remain vibrant, sustainable and prosperous for the benefit of future generations.

We inspired and convene the CSR360 Global Partner Network (GPN), which is a network of CSR and sustainability organisations who work with business to support the sustainable agenda locally and internationally across Europe, Africa, Asia, the Americas and Oceania.

This year we have secured secondments into the Business Connector programme from 12 new organisations, including our first from civil service departments. The full three-year Business Connector commitment to each location will be fulfilled for at least six communities during 2014/15.

Over £13million has been leveraged through the Business Connector programme, in support of English communities most in need. 121 Business Connectors have supported over 3,000 organisations to access business support at a local level.

Our communication reach continues to grow, through our new website, through key media partnerships with The FT, The Times and The Daily Telegraph, and with greater utilisation of the 'planter' by business on consumer-facing platforms.

Key activities and progress up to 30 June 2014:

- Responsible Business Week is a high-profile awareness week, run by Business in the Community, which aims to demonstrate the positive impact of business in society and, in doing so, to inspire and equip many more businesses to drive innovation and social and environmental value. In 2014, we grew the Week exponentially. Press coverage quadrupled in 2014 compared to 2013, and our social media campaign reached more than 2.6 million. This exponential growth, in only our second year, has established Responsible Business Week as the annual opportunity to promote the benefits of responsible business.
- £4.4 million has been given in grants from The Prince's Countryside Fund over the first four years of activity - helping over 80,000 people living and working in the British countryside.
- Give & Gain Day activity took place in 32 countries, including 10 countries new to Give & Gain 2014, engaging over 26,200 employees to support over 850 community organisations across the globe. Coverage, both print and online, reached a potential audience of nearly five million people.
- In excess of 500,237 of volunteering time was brokered through BITC into community groups.
- Business Class has supported 57,450 young people over the past year.
- Through the reach of its international membership, the International Tourism Partnership has used its best practice, programmes and insights to leverage collective action on the responsible business agenda across one of the largest and fastest-growing industries in the world, with an audience of over 23,500 individual hotel properties and 1.5m employees in more than 100 countries worldwide.
- The CSR360 Global Partner Network (CSR360 GPN) now operates on every continent, with 140 partner organisations in almost 70 countries, providing inspiration and insight and encouraging sharing, learning and collaboration through a programme of webinars, a comprehensive newsletter and influential

social media account⁹. The network speaks to a truly global audience of companies supporting sustainability professionals and organisations.

- ENGAGE Key Cities is a programme of collaborative employee volunteering activities in 33 Key Cities around the world. 294 companies are involved, providing 12,172 volunteers who donated £44m, 286 hours of support and reached 60,487 beneficiaries. Key themes covered by the ENGAGE Key Cities include Education, Employment and Enterprise.

International Disaster Relief

With over 300 international disasters in 2013 and over \$140bn in insured economic losses from such disasters, Business in the Community launched a disaster relief programme supported by the Department for International Development DFID. Launched to an audience of over 100 businesses and NGOs, with a key note address from the Minister of State for International Development, the programme has inspired, engaged, supported and challenged business to get involved in International Disaster Relief.

Local Disaster Relief

In response to the devastating flooding affecting many communities in early 2014, HRH The Prince of Wales visited the farmers, businesses and families in Somerset. During the visit he announced the release of £50,000 from The Prince's Countryside Fund's emergency fund and launched a wider appeal to businesses and the public to donate, raising £317,000.

In addition, through the Business Emergency Recovery Group (BERG), convened by HRH The Prince of Wales we have been working with business to help mainstream resilience and recovery as part of the broader business responsibility agenda. BERG actively encourages and supports better planning by BITC members and their supply chains. By convening partners and other support organisations, BERG offers practical, tangible help to businesses in the immediate aftermath of an emergency.

We continue to reach a large business audience:

- Around 33,546 delegates attended national BITC events across the country and internationally with Give & Gain Day. This

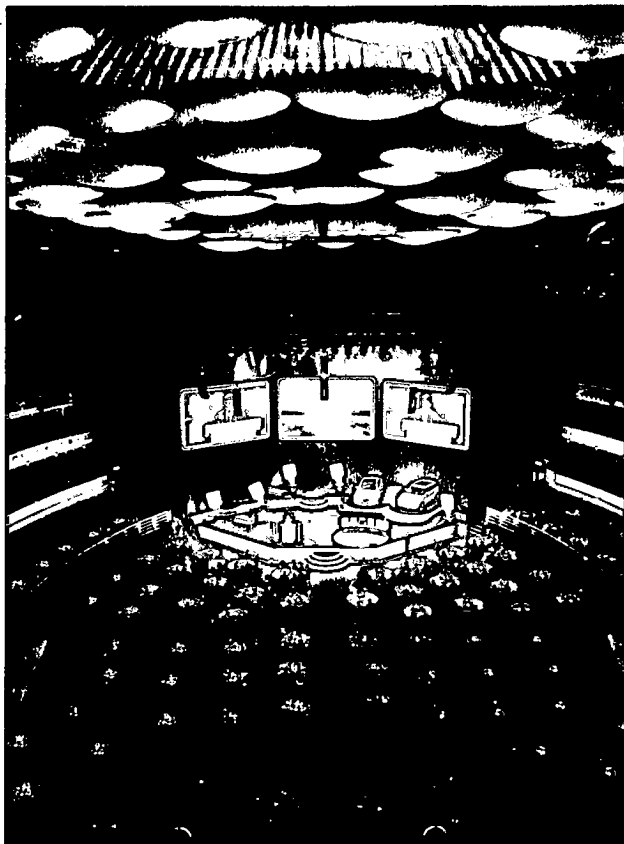
figure includes the National Awards Gala Dinner held on 8 July 2014.

- We had some 472,710 unique visitors per month to www.bitc.org.uk
- CSR360 GPN Twitter account was ranked 321 in the top 500 influencers active on Twitter in Corporate Social Responsibility, Sustainable, Green and Ethical Business, Socially Responsible Investment and Governance
- In 2013/14 there were 3,720 pieces of media coverage mentioning BITC and our campaigns, an increase of 68% on the same period last year. The coverage generated reflected the breadth of our campaigning agenda, with outlets as diverse as BBC Breakfast, Management Today, The Grocer, Sky News, The Financial Times, Sunday Telegraph, and Human Resources Magazine.

By June 2015 we will: be active in 55 towns and cities in the UK; have 140 global network partners in 70 countries and run programmes in 33 key cities; 120 communities will have a Business Connector with 3,000 organizations receiving support during the lifetime of the programme; website visitors will be 400,000 per year, with 45% returning each month; the Countryside Fund will have supported 4,000 rural enterprises and 250 rural communities; 33,000 employees will volunteer through Give & Gain Day; 21,000 hotels globally will be using the International Tourism Partnership's (ITP) Hotel Carbon Measurement Initiative (HCMI).

⁹ CSR360 GPN Twitter account

Responsible Business Awards 2014



National Grid - Responsible Business of the Year 2014



OUR PEOPLE AND ORGANISATION

We are committed to providing a sustainable, inclusive, positive and productive workplace, and creating an environment which encourages high levels of engagement, and professional and personal growth.

Our values are to be pioneering, and to act with passion, collaboration, integrity and focus.

Who we are

We employ 421 people across the UK, with a further 50 people seconded to us from other organizations or working as volunteers in over 70 locations and from home.

As a modern, flexible employer, we have an increasing number of employees working from home, while 24% are part-time. This enables us to improve our geographic reach and attract and retain the best talent. To support this we provide training to better equip staff to work in or manage dispersed teams.

People are our most valuable asset. Our success depends on finding, developing and retaining people with the necessary skills, knowledge and experience to help deliver our objectives and further the work of Business in the Community. We have a great track record of retaining staff within the organisation and actively seek to fill vacancies and new posts from within - this year 40% of these were filled by existing staff.

As part of our ongoing efforts to continually improve our employee engagement and track progress we took part in the Sunday Times 100 Best Not-for-Profit Organizations to Work For survey in 2012/13, ranking in the top 100, and plan to maintain our score in 2014/15.

We run a full and varied year round training programme, and on average our employees spent 6.5 days each on learning and development activities per year.

Organisational effectiveness

We continually take steps to improve our organisational effectiveness, seeking feedback from colleagues on progress. For example, this year we have reviewed the regional structure implemented in 2012. Our employees reported that the new way of working was an improvement and that we were meeting the objectives we had set out.

We are continuing to expand leadership development in order to build resilience in a time

when more is expected with less. To support this, we have developed a suite of new training modules for leadership development to address specific skills gaps identified through internal feedback mechanisms.

Income generation is always key and we have reviewed our bid management systems and launched a series of bid writing master classes to equip employees with these vital skills.

Working with our communities

We are committed to demonstrating our campaigning ethos in all that we do. We work closely with local schools, offering work experience placements in many of our offices. Our Shepherdess Walk office has also established its own Business Class partnership with Correlli School.

We encourage our employees to volunteer, providing two days a year paid time to participate in activities of their own choice as well as participating in organised volunteering activities such as Business Class.

Internal communications and engagement

Each year we recognise achievement with our employee awards 'The Pink Flamingos', presented at our annual All Staff conference. The conference provides an opportunity for teams to meet together, share experience and provide feedback to management. To further encourage vital employee feedback, we also run annual Roadshows, where members of the Executive Team travel round the offices to meet staff and seek their views. We also have an active employee-led 'walk the talk' group in Shepherdess Walk, which helps to engage the wider organisation in bringing our values to life.

We encourage our staff to use digital channels both for internal communications and to create greater external impact. To help ensure this is used effectively, we provided a new 'Using Social Media Effectively' course for employees, delivered by the BITC digital team. Our chief executive Stephen Howard now produces a fortnightly video diary which is shared with all staff and offices, enabling better engagement with the organisation from senior management.

Employees are encouraged to use Facebook and Twitter to share and promote our campaigns, for instance, our recent Project 28-40 involved the biggest ever UK survey on women at work, and BITC staff played a key role in encouraging friends and contacts to participate using their own social media accounts.

Responsible employment practice

This year we became accredited as a Living Wage employer. We have fair and transparent policies regarding interns and volunteers to ensure that volunteers are genuine volunteers and that where we provide internships these are remunerated posts.

We became a signatory of the Time to Change pledge to end mental health discrimination, and have started a series of communications with staff to bring issues to the surface.

We reviewed and changed our pension provider and scheme, providing better value for our staff ahead of auto enrolment. This resulted in just 6.5% of our staff opting out.

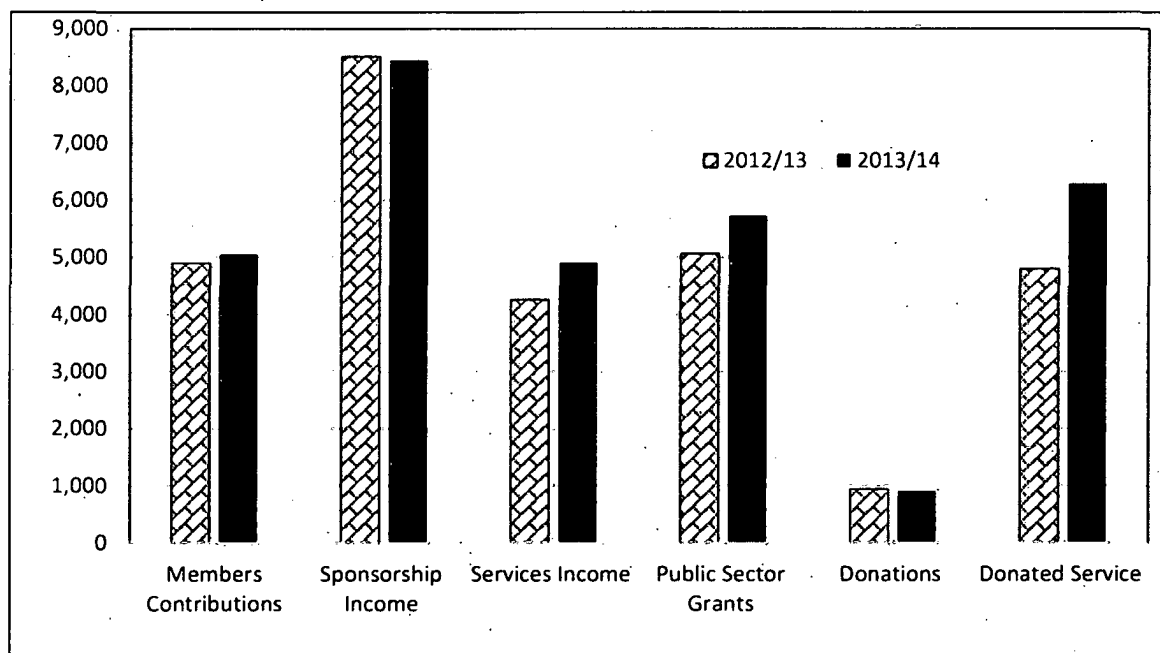
We believe that helping our employees to manage their finances is important and will be introducing an online financial management package later in 2014.

Our environmental impact

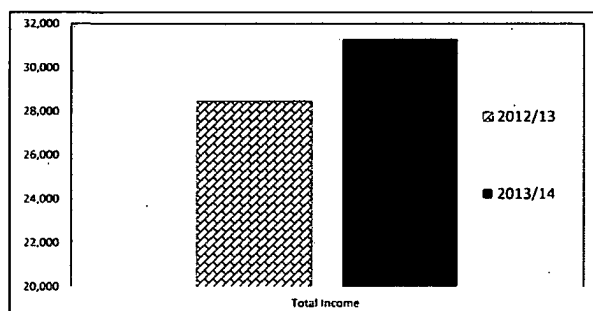
We continue to work on our own overall environmental impact. Our Belfast office is accredited to EMS BS8555 and has removed landfill waste bins completely. Overall recycling rates at Shepherdess Walk have increased, with landfill waste decreasing slightly, despite an increase in the number of staff permanently based at the office. Internal communication has continued to highlight to staff the importance of reducing energy use and improving recycling rates. Further plans are in place to develop a more structured monitoring and reporting system for 2014-15, which will feed into more detailed communication and engagement with staff.

Financial Review

Incoming Resources 2012/13 to 2013/14 £'000



Total Incoming Resources 2012/13 to 2013/14 £'000



The financial statements for the year have been prepared in full accordance with the Statement of Recommended Practice, *Accounting and Reporting by Charities (March 2005)*.

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, and Arts & Business and its trading subsidiary Arts & Business Services. All are for a full 12 months to 30 June 2014.

As reported in the Statement of Financial Activities on [page xx](#) incoming resources rose in the year from £28.47m in 2013 to £31.3m in 2014, with growth across almost all sectors of the business.

Membership income rose this year reversing the trend of the last two and we saw an increase in the number of companies in membership up to 828. This increase added to the growth in core funding from companies supporting campaigning initiatives, demonstrating the strength of support for our approach and the relevance of the strategy.

Service income rose because of growth in a number of our key strategic initiatives including our Diversity offering and our engagement with Schools, Business Class, plus a return to our traditional timing of the gala dinner - the July 2013 dinner was a highly successful event (2012/13 dinner was in June 2012).

In October 2013 we brought in the International Tourism Partnership (ITP) activities (a programme previously run within International Business Leaders Forum) bringing together leading international hotel companies to provide a voice for environmental and social responsibility – which enhanced our international offering and supported our engagement with vulnerable young people world-wide and our sustainability work in a new sector. ITP accounted for £550k growth in income in the year.

There has been continuing growth in public sector support this year with the build-up in activity on both the Connector programme supported by the Big Lottery completing its 2nd full year, and the 1st full year of the UKCES support for roll out of the Business Class schools programme; the Connector programme has also leveraged the exceptional increase in non-cash support from member companies. We have also been successful in attracting public funding for programmes in Northern Ireland, and supporting people in Derbyshire and the East Midlands. Total income delivered by regional operations principally in support of the breadth of our Community agenda was £8.8m representing 40% of the total income for BITC alone (2013- £8.4m and 42%)

The major subsidiary charity, The Prince's Countryside Fund, maintained its overall level of income from companies and from individuals at similar levels to previous years; income from donations rose as a response to an appeal from HRH the Prince of Wales to support farming and rural communities after the devastating floods in early 2014. There was a reduced level of grants awarded in the year from this restricted funding, held over to provide resources in 14/15 for the anticipated impact of those adverse conditions.

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

The movement in unrestricted funds of £321k (2013 £110k) 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 £2.33m at 1 July 2013 increased by £536k (2013 up £68k) to £2.86m at 30 June 2014. This exceptional positive increase in income (arising in the main from the outcome in Prince's Countryside Fund combined with an early receipt of funds from the Big Lottery) is expected to be spent in the next year and to produce a corresponding negative movement in funds. The Endowment funds connected with the development of the BEAM project reduced by £18k to £501k (£519k). The total net increase in all funds this year was £836k (BITC alone was £566k) compared to an increase last year of £166k (BITC alone was £190k).

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 achievements.

Our operating costs have only increased this year in direct relation to new or growing income streams. We retain the flexibility to reduce costs 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 6 to the financial statements.

Reserves policy

The company's free reserves are its corporate revenue reserves, not committed for use as fixed assets for its own use nor for future projects. These amounted to £2.4 million at the year end. Within this figure, liquid reserves are represented by the unrestricted net current assets. The company holds 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 million. The calculation of our unrestricted funds included in note 12 demonstrates that the charity holds this level of funds.

Risk policy

The Board is responsible for the management of the risks faced by the Company. 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 these are as follows:

- Maintaining the value of the membership proposition;
- Relevance of the campaigning offer and maintaining BITC at the forefront of responsible business practice;
- Delivery of impact and scale of major programmes;
- Management Focus required across the wide range of the agenda:

Activities to mitigate these risks include:

- a focus on key activities and priorities as determined by the annual business plan (which lays down the foundation of the years activities);
- membership surveys; a professional structure of corporate advisors who work closely with members to address changing needs and perception, thus maximising the number of members who view the responsible business agenda as integral to their business;
- campaigns working closely with leadership teams on all aspects of the agenda, but in particular on maintaining the relevance and challenge in relation to workplace, community and sustainability issues;
- the use of an integrated customer relationship database across the organisation;
- regular financial re-forecasting and a focus to match costs, in particular staffing costs, to income and the re-alignment of staff teams (especially back office teams) to enhance productivity.

The risks have been reviewed, in relation to both the opportunities and the risks arising from the structure of the Company and its culture, and highlighting in particular its entrepreneurial and campaigning nature and the strong emphasis on staff involvement.

Processes are in place both to monitor and to mitigate the effects of such risks. It is recognised that systems can provide only reasonable and not absolute assurance that key risks have been adequately identified and managed.

The internal control procedures operated by the Company are designed, inter alia, to highlight the progress being made towards achieving the Company's mission, to maintain expenditure within the limits of available income, and to safeguard the Company's assets.

An annual budget is set each year in line with the goals and targets of the business plan. Performance against this budget is reviewed monthly by the senior staff team and at the meetings of the Finance and Risk Committee and the Board. In addition, regular re-forecasting exercises are undertaken to address changes in the economic environment and respond to changes in income expectations.

A set of key performances indicators has been established to focus on the major targets of the business plan covering both financial and non-financial measures.

The design of the systems and controls 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.

Transactions between the Company and related parties, together with the nature of their relationships with the Company, are set out in note 17. All such transactions are carried out in the normal course of the Company's activities.

Leadership Summit 2014



On the panel, from left to right: Saker Nusseibeh, Chief Executive, Hermes Fund Managers; Kamal Ahmed, Business Editor, The Sunday Telegraph; Helena Morrissey, Chief Executive, Newton Asset Management; Steven Holliday, Chief Executive, National Grid

LEADERSHIP

Our ambition is for our work to be led by business at the highest levels.

The challenge for business leaders is to ensure the wider responsibilities of business are understood within their organisation and in society, and to demonstrate how a responsible approach to business will create value. Business leaders must be seen to act and demonstrate their commitment to creating a fairer society and a more sustainable future by fostering a culture that will encourage innovation, reward the right behaviours, and rebuild trust.

The Prince's Seeing is Believing Programme is a catalyst for change, with 213 senior business leaders attending visits across the UK last year. In addition, over 300 business leaders championed specific issues and campaigns in our Leadership Teams.

President

HRH The Prince of Wales KG KT PC GCB OM

The present directors of the company are as follows:

Chairman

- **Mark Price** Managing Director, Waitrose Ltd

Vice Chairman

- **Steven Holliday** Chief Executive, National Grid Plc

Chairman designate

- **Antony Jenkins** Group Chief Executive, Barclays Plc (appointed 1 April 2014)

Directors:

- **Roy Adair** Chief Executive, Belfast Harbour Commissioners
- **Claudine Blamey** Head of Stewardship, The Crown Estate (appointed 1 December 2013)
- **Sir Ian Cheshire** Chief Executive, Kingfisher plc (appointed 1 April 2014)
- **John Cridland CBE** Director-General, CBI
- **Paul Drechsler** Chairman, Teach First
- **Jayne-Anne Gadhia** Chief Executive, Virgin Money Holdings (UK) Ltd (appointed 28 April 2014)
- **Christine Hodgson** Chairman, Capgemini UK Plc

- **Phil Hodgkinson** ¹ Non-Executive Director, BT Group Plc
- **Christopher Hyman CBE**
- **Adrian Joseph** Director, Customer Solutions and Innovation, Google UK Ltd (appointed 1 December 2013)
- **Sir Richard Lambert** Chancellor, University of Warwick
- **Ruby McGregor-Smith CBE** Chief Executive, MITIE Group Plc
- **John M Neill CBE** ¹ Chairman & Group Chief Executive, Unipart Group
- **Jeremy Pocklington** ² Director, Enterprise and Growth, HM Treasury
- **Tim Porter** Managing Director, Lex Autolease
- **Chris Satterthwaite** Chief Executive, Chime Communications Plc
- **John Spence CBE** ² Non-Executive Chairman, Callcredit Information Group
- **Duncan Tait** Head of Europe, Middle East, India and Africa, Fujitsu (appointed 1 December 2013)
- **Francesco Vanni d'Archirafi** Chief Executive, Citi Holdings
- **John Williams** Vice Chair, Association of Chairs

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

- **Yogesh Chauhan** (retired 5 November 2013) Tata Consultancy Services
- **Brendan Dick** (retired 30 November 2013) BT Group Plc
- **Philip N Green CBE** (retired 31 January 2014) Carillion Plc
- **John Union** (retired 30 September 2014) Barclays Plc

¹, ², signifies member of the Audit ¹, Finance and Risk ² Committees respectively.

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

- **Denise Larnder** Partner, EY
- **Joe Greenwell** Chief Executive, Automotive Investment Organisation

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

- **Tom Atherton** Group Finance Director, Dairy Crest Group
- **Nigel Beswick** Finance Director - MITIE New Ventures, MITIE Group Plc
- **David Maxwell** London Chairman, Grant Thornton

Vice-Presidents:

Dame Julia Cleverdon DCVO CBE
Lord Sheppard of Didgemere KCVO
Sir Stephen O'Brien
Hon Sir David Sieff
Sir Mark Weinberg

Advisors:

Bankers
Barclays Bank PLC
 1 Churchill Place
 London E14 5HP

Solicitors

Bates Wells & Braithwaite
 2 – 6 Cannon Street
 London EC4M 6YH

Auditors

Crowe Clark Whitehill LLP
 St Bride's House
 10 Salisbury Square
 London EC4Y 8EH

Leadership Team Chairs:

- **Business Action on Homelessness**
John Varley Chairman of Marie Curie and Non Executive Director to the Boards of Rio Tinto and AstraZeneca
- **Community**
Richard Howson Chief Executive, Carillion Plc
- **Enterprise**
Stephen Leonard Chairman, IBM UK & Ireland
- **Education**
Paul Drechsler Chairman, Teach First

- **Environment**
Estelle Brachlianoff Executive Vice President UK & Ireland, Veolia
- **International**
Keith Weed Chief Marketing and Communications Officer, Unilever
- **International Tourism Partnership**
Ian Carter
- **Marketplace**
Jeremy Hicks Managing Director, Jaguar Land Rover
- **Opportunity Now**
Helena Morrissey CBE Chief Executive, Newton Investment Management
- **Race for Opportunity**
Adrian Joseph Director, Customer Solutions and Innovation, Google
- **Rural Action**
David Yiend Chief Executive, AB Agri
- **Talent & Skills**
Steven Holliday Chief Executive, National Grid
- **Workwell**
Irwin Lee Vice President P&G UK and Ireland
- **Mosaic**
Shabir Randeree CBE Executive Chairman of DCD Group
- **Arts & Business**
Jonathan Moulds
- **Start**
Sir Ian Cheshire Group Chief Executive, Kingfisher

Regional Advisory Board Chairs:

- **East of England**
Paul Winter Chief Executive, Ipswich Building Society
- **East Midlands**
Ursula Lidbetter MBE Chief Executive Officer, Lincolnshire Co-operative
- **London**
Rob Devey Chief Executive, Towry
- **Northern Ireland**
Roy Adair Chief Executive, Belfast Harbour Commissioners

- North East
Richard Hutton Finance Director, Greggs Plc
- North West
Edwin Booth Chairman, EH Booth & Co
- South East
Huw Davies Chief Financial Officer, Wates Group
- South West
Mark Allen Chief Executive, Dairy Crest Group
- Wales
Steve Hughes Group Finance Director, Principality Building Society
- Yorkshire and Humber
Kath Myers Managing Director Community Banking, Barclays
- West Midlands
David Richardson, Regional MD, Lloyds Banking Group

Business in the Community's Senior Staff are as follows:

- Chief Executive: **Stephen Howard**
- Community Director: **Paul Buchanan**
- Communications Director: **Gail Greengross**
- Finance Director: **Alison Grieve**
- Field Director: **Patrick Mallon**
- Membership Director: **Patrick O'Meara**
- Executive Director: **David Pemberton**
- Human Resources Director: **Françoise Seacroft**
- Company Secretary: **Lesley Wolfenden**

Area Directors:

- Northern Ireland: **Kieran Harding**
- England West: **Raksha Pattni**
- Wales: **Rosie Sweetman**
- England East: **Liz Needleman**
- England South: **David Williams**

Registration Details

Register of Charities: Registration No. 297716

Register of Companies: Registration No. 1619253

Registered Office:

137 Shepherdess Walk, London N1 7RQ

Telephone

020 7566 8650

Website

www.bitc.org.uk

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 to support 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

On 1 October 2014, BITC combined with the operations of PRIME, the Prince's Initiative for Mature Enterprise, another in the family of HRH the Prince of Wales Core charities, helping people over 50 turn their ideas, energy and experience into successful and sustainable businesses. PRIME's expertise and experience makes a good fit for BITC in developing diverse and sustainable communities.

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 memorandum and articles of association, as amended by special resolutions passed on 10 September 1987, 8 December 1994 and 4 December 2001.

Its principal objects are:

- to promote the practical interest and involvement of companies and other organisations in advancing industry, by creating or assisting in the creation of opportunities for employment in disadvantaged areas;
- to advance research relating to the corporate social responsibility and community involvement policies and practices of industry and commerce; and
- otherwise to advance education, protect and preserve the environment, and further other charitable purposes which are beneficial to the public.

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 on page 24.

The Chief Executive is appointed by the Directors to manage the day to day running of BITC under powers delegated to him by the Board. He is supported by 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 its ethos and values. During the year the Board:

- agreed the business plan for the coming year including the review of brand and profile of BITC and how that should be enhanced;
- agreed the budget for the year commencing 1 July 2013, 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 2014 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 twice in the reporting period to oversee the risk management and controls framework, review the accounting policies and financial statements, and 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, and its sub-committees, and matters reserved for their approval. In addition, it lists Business in the Community's responsibilities and duties in regard to the charities office at Clarence House, and provides guidance and best practice based on recommendations of the NCVO on charitable boards.

The Princes Countryside Fund Board met on four occasions in the year to consider inter alia

- overarching strategic objectives including profile of the charity and the engagement with new supporters;
- grant strategy and criteria including the findings of an external evaluation of grant giving to date;
- review of the activities of Countryside Fund Trading.

The Company has maintained insurance cover in respect of professional indemnity at an annual premium of £8k (2013 - £8k).

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 its re-appointment will be submitted to the forthcoming Annual General Meeting

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board on 5 November 2014, including in its members' capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



Mark Price
Chairman, Business in the Community

5 November 2014

Independent Auditors' Report to the members of Business in the Community (a company limited by guarantee)

We have audited the financial statements of Business in the Community for the year ended 30 June 2014 which comprise the Group Statement of Financial Activities (incorporating the Group Income and Expenditure Account), the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes numbered 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the 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 Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic report and 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 the charitable company's affairs as at 30 June 2014 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and 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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



Andrew Pianca

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

St Brides House

10 Salisbury Square

London, EC4Y 8EH

11 November 2014

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 2014

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2014 £000	Total 2013 £000
Incoming Resources	1b					
From Generated Funds						
Voluntary Income	4a	305	5,983	-	6,288	4,796
Bank deposit interest receivable	4a	8	18	-	26	31
		313	6,001	-	6,314	4,827
From Charitable activities	4a	11,339	13,669	2	25,010	23,643
Total incoming resources		11,652	19,670	2	31,324	28,470
Resources expended						
Charitable activities	4b	11,195	19,123	20	30,338	28,162
Governance costs	4b	136	11	-	147	142
Total resources expended		11,331	19,134	20	30,485	28,304
Net income/ (expenditure)		321	536	(18)	839	166
Balances brought forward						
1 July 2013		2,943	2,328	519	5,790	5,624
Balances carried forward						
30 June 2014		3,264	2,864	501	6,629	5,790

All of the charitable company's operations are represented by continuing activities.
The charitable company has no recognised gains and losses other than those shown above.

The notes on pages 34 to 47 form an integral part of these financial statements

Business in the Community
(a company limited by guarantee)

Consolidated and Company Balance Sheets
as at 30 June 2014

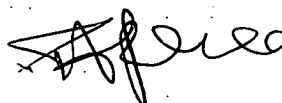
	Notes	Consolidated 30 June 2014 £000	BITC 30 June 2014 £000	Consolidated 30 June 2013 £000	BITC 30 June 2013 £000
Fixed Assets					
Tangible Assets	6	1,392	1,392	1,490	1,490
Current Assets					
Debtors	8	4,562	4,604	5,184	5,360
Cash at Bank and in hand	9	7,809	5,100	6,478	3,478
Total Current Assets		12,371	9,704	11,662	8,838
Current Liabilities					
Creditors—amounts falling due within one year	10	(6,798)	(5,148)	(7,017)	(4,948)
Total Current Liabilities		(6,798)	(5,148)	(7,017)	(4,948)
Net current assets		5,573	4,556	4,645	3,890
Creditors – amounts falling due after than one year	11	(336)	-	(345)	-
Net assets		6,629	5,948	5,790	5,380
Represented by:					
Unrestricted income funds		3,264	3,264	2,943	2,943
Restricted income funds		2,864	2,183	2,328	1,918
Endowment Funds		501	501	519	519
Accumulated funds	12	6,629	5,948	5,790	5,380

Approved by the Board of Directors on 5 November 2014 and signed on its behalf

Mark Price
Chairman



John Spence CBE
Chairman of the Finance & Risk Committee



The notes on pages 34 to 47 form an integral part of these financial statements

Company Registration Number 1619253

Business in the Community
(a company limited by guarantee)

Consolidated Cashflow Statement for the year ended 30 June 2014

	Year ended 30 June 2014	Year ended 30 June 2013
	£000	£000
Net cash inflow from operating activities	1,326	(1,251)
Returns on investments and servicing of finance	26	31
Capital Expenditure	(21)	(334)
Net cash inflow/(outflow)	1,331	(1,554)

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

Net incoming resources :		
- Unrestricted funds	321	110
- Restricted funds	536	68
- Endowment funds	(18)	(12)
Net movement in funds	839	166
Less: interest received	(26)	(31)
Depreciation and Amortisation charges	119	82
Decrease /(Increase) in Debtors	671	(393)
Increase in Accrued Income & Prepayments	(49)	(340)
Increase in Creditors less than one year	238	35
Decrease in Creditors greater than one year	(9)	(355)
Decrease in Accrued Expenditure & Deferred Income	(457)	(415)
Net cash inflow from operating activities	1,326	(1,251)
Capital Expenditure		
Payments to acquire tangible fixed assets	(21)	(334)
Total Capital Expenditure	(21)	(334)
Returns on investments and servicing of finance		
Interest Received	26	31
Total	26	31

Analysis of Cash

	At 1 July 2013 £000	Cash flows £000	Non-cash Changes £000	At 30 June 2014 £000
Cash at bank and in hand	6,478	1,331	-	7,809

1. Principal Accounting Policies

A summary of the more important accounting policies of the Group is set out below.

a) Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with current statutory requirements (Charities Act 2011 and Companies Act 2006), the requirements of the company's Memorandum and Articles of Association and the requirements of Statement of Recommended Practice "Accounting and Reporting by Charities" (March 2005) and comply with all applicable accounting standards. Consolidated accounts have been prepared on a line by line basis for the charity and its wholly owned subsidiaries.

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.

b) Income

All income received by the Group is used to finance expenditure incurred in the furtherance of its objectives.

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 10). 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.

c) 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 services and audit costs.

Note 1 (continued)

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.

d) 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 it 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.

e) 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

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

f) 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.

g) Leases

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

h) Pension contributions

The Group contributes to defined contribution private pension policies for employees, and the pension cost charge that is shown in note 5(b) represents the contributions payable to these policies.

2. Business Names

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

Name

Opportunity Now	}	To promote and develop excellence through diversity
Race for Opportunity		
Business in the Environment		To inspire companies towards environmentally sustainable development
The Prince's Mayday Network		To inspire and support companies committed to taking action on climate change
Responsible Business Awards		To recognise and promote best practice within all aspects of responsible business
Start		To promote a sustainable lifestyle
arc		Encouraging Social Enterprise
The Prince's Seeing is Believing programme		Providing social insights for business leaders
Responsible Business Checklist		To help companies integrate and benchmark responsible business practices
The Prince's Rural Action Programme		To engage businesses to make a positive difference to rural communities
Workwell		Promoting wellness and engagement in the workplace
Access the Buyer	}	To engage business actively in building sustainable and inclusive communities
Ban the Box		
Business Action on Homelessness/Ready for Work		
Business Class		
Business Connectors		
Employee Volunteering		
CommunityMark		
CommunityFootprint		
CR Academy		
Engage		
Give & Gain Day		
Generation Talent		
Healthy High Streets		
Mosaic / Enterprise Challenge		
Prohelp		
Ready to Go		
Work Inspiration		
Arts & Business		Using art and business support to regenerate communities and stimulate economic growth

3. Income and Expenditure

- a) Two directors received reimbursement of expenses in the year totalling £495 (2013: one director £123).
- b) The Statement of Financial Activities includes the cost of donated services and facilities amounting to £2,090k (2013 £1,926k) and the cost of staff seconded from member companies and organisations amounting to £4,021k (2013 £2,870k), details of which are given in note 5(a).

c) **The results are stated after charging:**

	Total 2014 £000	Total 2013 £000
Operating leases:		
Plant and machinery	13	16
Land and buildings	282	280
Auditors' remuneration - audit of Company's accounts	19*	17*
- audit of subsidiary accounts	13	14
- other services	16	10

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

4. Analysis of Consolidated Statement of Financial Activities

a) **Analysis of incoming resources by activities:**

Activities:	Voluntary income £000	Charitable activities £000	Total 2014 £000	Total 2013 £000
Membership & Leadership	355	7,112	7,467	6,794
Support & Challenge	177	2,325	2,502	1,918
Campaigning Issues:				
Workplace & Employees	417	1,628	2,045	1,555
Education, Employment & Enterprise & Renewal	5,000	11,092	16,092	14,733
Marketplace Sustainability	173	918	1,091	1,462
Prince's Countryside Fund	153	1,935	2,088	1,964
Governance – donated services	13	-	13	13
	6,288	25,010	31,298	28,439
Bank deposit interest receivable	-	26	26	31
Total incoming resources	6,288	25,036	31,324	28,470

Growth in voluntary income this year to £6.3m from £4.8m in 2013 is attributed to the engagement of businesses in the Business Connector programme.

4. Analysis of Consolidated Statement of Financial Activities (continued)

b) Analysis of resources expended by activities:

	Voluntary expenditure	Charitable activities	Total 2014	Total 2013
Activities:	£000	£000	£000	£000
Membership & Leadership	355	4,929	5,284	5,581
Support & Challenge	177	2,958	3,135	2,394
Campaigning Issues:				
Workplace & Employees	417	2,182	2,599	2,100
Education, Employment & Enterprise & Renewal	5,000	11,177	16,177	14,522
Marketplace Sustainability	173	1,199	1,372	1,594
Grant making	153	1,618	1,771	1,971
Total activities	6,275	24,063	30,338	28,162
Governance	13	134	147	142
Total resources expended	6,288	24,197	30,485	28,304

c) Analysis of total resources expended

	Staff Costs	Support Costs	Other Costs	Total 2014	Total 2013
Activities:	£000	£000	£000	£000	£000
Membership & Leadership	4,084	362	838	5,284	5,581
Support & Challenge	1,351	341	1,443	3,135	2,394
Campaigning Issues:					
Workplace & Employees	1,123	298	1,178	2,599	2,100
Education, Employment & Enterprise & Renewal	6,372	1,495	8,310	16,177	14,523
Marketplace Sustainability	740	178	454	1,372	1,594
Grants	145	28	1,598	1,771	1,970
Total activities	13,815	2,702	13,821	30,338	28,162
Governance costs	89	7	51	147	142
Total resources expended	13,904	2,709	13,872	30,485	28,304

Support costs comprise the central costs of senior managers, finance, human resources and IT support, and include salary costs of £1,698k.

Grants awarded include those by the Prince's Countryside Fund totalling £1,297k (2013 £1,736k). 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 Business in the Community alone

Movement in resources for the company

	Unrestricted £000	Restricted £000	Endowment funds £000
Incoming resources	11,345	16,774	2
Outgoing resources	(11,025)	(16,509)	(20)
Net movement on funds	320	265	(18)

e) Accounting for separate 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 18.

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(d) and 10 and 11).

f) Restricted funds

		Balance at 30 June 13 £000	Income Received £000	Expenditure Incurred £000	Balance at 30 June 14 £000
Restricted Funds					
Total Movements in Restricted Funds		2,328	19,670	(19,134)	2,864
Included in these total balances:					
Subsidiary	Fund Provider				
Arts and Business	Various Private Sector	293	801	(846)	248
Princes Countryside Fund	Various Private Sector	117	1,952	(1,637)	432
Project and purpose	Fund provider				
Arc	Various Private Sector	143	-	(143)	-
BAOH Programme	Various Private Sector	291	-	(100)	191
Breakfast Clubs	Nottingham CC	-	56	(15)	41
Business Class Rollout	UKCES	48	950	(939)	59
Business Connectors	Big Lottery Fund/Lloyds Banking Group	164	1,118	(873)	409
Central Business Class Funding	Various Private Sector	101	318	(215)	204
Charter, NI	Public Sector	45	125	(134)	36
DCLG BAOH Funding	DCLG	98	-	(98)	-
DOH Health Programme	Dept. of Health	0	199	(199)	-
Enterprise Enquiries	DCLG	65	-	(65)	-
Euro Health Net	European Commission	61	11	(31)	41
Healthy High Streets	DCLG	25	43	(68)	-

International Disaster Relief	DFID	-	140	(140)	-
International Tourism Partnership	Various Private Sector	-	505	(299)	206
NEA Grant	DWP	201	304	(266)	239
Notts Rise	Nottingham CC	-	53	(39)	14
Social Enterprise, NI	Department for Trade & Investment	-	134	(93)	41
Transforming Waste in Northern Ireland	Various Private Sector	48	-	(37)	11

5. Employee Information

a) Staff numbers

At 30 June 2014, the Group employed (excluding Directors) 421 salaried persons (2013 - 401).

These staff were employed in the following activities :

	30 June 2014	30 June 2013
Direct charitable activities	371	355
Central support services	25	21
Corporate communications, strategy and management	25	25
Total number of members of staff	421	401

Since a number of the Group's employees worked part-time, the Group had, on average throughout the year, the equivalent of 391 full time salaried staff (2013 - 378). In addition, the Group enjoyed, on average throughout the year, the services of the equivalent of 7.15 (2013 - 5.75) full-time employees seconded by member companies, public sector and other organisations plus an average of 92 full time employees seconded to the Connector Programme (2013 - 35). 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 £3,768k (2013 £2,870k).

b) Analysis of cost of salaries

	Year ended 30 June 2014 £000	Year ended 30 June 2013 £000
Total gross wages and salaries	13,753	12,761
Employer's national insurance contributions	1,387	1,354
Pension contributions	565	547
Total cost of salaries	15,705	14,662

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 £55k (2013 £47k).

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

	Year ended 30 June 2014	Year ended 30 June 2013
£140,000 - £149,999	1	1
£100,000 - £109,999	2	2
£ 90,000 - £ 99,999	5	4
£ 80,000 - £ 89,999	8	5
£ 70,000 - £ 79,999	1	7
£ 60,000 - £ 69,999	7	10

The total employer's pension contributions, paid into defined contribution schemes and in respect of 23 (2013 - 20) of the above employees, amounted to £115k (2013 £132k).

6. Fixed Assets – Tangible Assets

	Freehold Land	Long- leasehold Property (note)	Short- leasehold Improvements	Equipment, Fixtures and Fittings	Total
	£000	£000	£000	£000	£000
Cost					
At 1 July 2013	240	1,108	266	191	1,805
Additions	-	-	-	21	21
At 30 June 2014	240	1,108	266	212	1,826
Depreciation					
At 1 July 2013	-	272	8	35	315
Charge for the year	-	50	34	35	119
At 30 June 2014	-	322	42	70	434
Net book values					
At 30 June 2014	240	786	224	142	1,392
At 30 June 2013	240	836	258	156	1,490

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.

7. Investments

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 with its governance structure.

Results of subsidiary companies in the year to 30 June 2014

Income and Expenditure accounts

	PCF £000	CFT Ltd £000	BITC T&A £000	A&B Ltd £000	A&B Services £000
Incoming Resources	818	1,124	878	642	159
Gift aid (payable)/receivable	1,004	(1,004)	(571)	118	(118)
Grants made	(1,297)	-	-	-	-
Management costs	(210)	(120)	(307)	(805)	(41)
Result of ordinary activities before and after taxation	315	-	-	(45)	-

Balance Sheets for subsidiary companies at 30 June 2014

	PCF £000	CFT Ltd £000	BITC T&A £000	A&B Ltd £000	A&B Services £000
Trade Debtors	6	24	458	17	6
Amounts due from Group Companies	107	-	-	206	(206)
Cash	1,763	359	115	244	229
Amounts due to Group companies	(19)	(176)	(374)	(101)	(5)
Amounts due to third parties	(1,425)	(207)	(199)	(61)	(21)
Deferred Income Trust grant	-	-	-	(60)	-
Net reserves (Incl. in Restricted Funds)	432	-	-	245	3

8. Debtors and Prepayments

	Consolidated 30 June 2014 £000	BITC 30 June 2014 £000	Consolidated 30 June 2013 £000	BITC 30 June 2013 £000
Trade debtors	3,274	2,767	3,991	3,664
Intercompany debtors	-	566	-	642
Other debtors	221	220	175	173
Accrued income	765	752	734	597
Prepayments	302	299	284	284
	4,562	4,604	5,184	5,360

9. Cash at Bank and in Hand

	Consolidated 30 June 2014 £000	BITC 30 June 2014 £000	Consolidated 30 June 2013 £000	BITC 30 June 2013 £000
Current accounts	3	3	3	3
Interest-bearing accounts	7,806	5,097	6,475	3,474
	7,809	5,100	6,478	3,477

10. Creditors : Amounts Falling Due Within One Year

	Consolidated 30 June 2014 £000	BITC 30 June 2014 £000	Consolidated 30 June 2013 £000	BITC 30 June 2013 £000
Trade creditors	409	406	216	213
Other creditors	460	419	454	409
Amounts due to grant recipients	1,080	-	992	-
Taxation and social security costs	672	672	721	712
Membership contributions in advance	413	413	563	563
Deferred Income Trust	63	-	486	-
Fees and other income in advance (Note 13)	2,892	2,464	2,638	2,243
Accrued expenditure	809	774	947	808
	6,798	5,148	7,017	4,948

11. Creditors : Amounts Falling Due More than One Year

	Consolidated 30 June 2014 £000	BITC 30 June 2014 £000	Consolidated 30 June 2013 £000	BITC 30 June 2013 £000
Amounts due 2 to 5 years				
Amounts due to grant recipients	336	-	345	-
	336	-	345	-

The deferred income trust was created as part of the restructuring of the Arts and Business activity to provide specific resources to allow for the development of new ways of working in support of their charitable objectives and collaborative initiatives with BITC. The funds will be released over the next year.

12. Analysis of Net Assets between Consolidated Funds

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total funds 30 June 2014 £000
Tangible fixed assets	891	-	501	1,392
Net current assets	2,373	3,200	-	5,573
Liabilities > 1 Year	-	(336)	-	(336)
Total net assets	3,264	2,864	501	6,629

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.

13. Analysis of Movement in Fees and other Income in Advance

	Brought Fwd 1 July 2013	Released during Year	Deferred during Year	Carried Fwd 30 June 2014
Membership of Campaigns	446	(399)	549	596
Employee Volunteering	271	(271)	120	120
Projects, Programmes & Events	1,573	(1533)	1554	1594
Business Class	348	(348)	582	582
Total	2,638	(2,551)	2,805	2,892

14. Lease Commitments

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 two and five years from the Balance Sheet date. The total amount payable under these leases in the year ending 30 June 2015 for land and buildings is £228k (2013 £208k) and for office equipment is £12k (2013 £16k).

15. Capital Commitments

No material capital commitments were contracted for at 30 June 2014 (2013 £nil).

16. Taxation

The company is a registered charity under the Charities Act 2011 and as such is potentially exempt from direct tax on its income and gains, to the extent that such income and gains are applied for charitable purposes.

17. Related Party Transactions

There were no 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. 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 we received during the year that 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. Those 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	Amount
Allstate	Community Garden Project, NI	10,585
Belfast City Council	City Wide Employers Forum	25,000
Belfast Education and Library Board	STEM Project	15,000
BIFFA Award	Community Garden Project, NI	43,360
Big Lottery Fund	Addiction NI - Drink Work & Me Programme	8,749
Big Lottery Fund	Business Connectors Project	954,530
Big Lottery Fund	Aiming Higher, NI	63,566
Big Lottery Fund	Life Skills Prime of Life Project	20,925
Big Lottery Fund	Oxfam GB - Sanctuary in Wales	22,541
Bombardier	City Wide Employers Forum, NI	25,000
Bombardier	Community Garden Project, NI	2,500
Bristol City Council	Bristol Action on Homelessness Support: Ready To Go	38,000
Bristol City Council	Bridge the Gap	20,589
Bristol City Council	Behind the Scenes	10,000
Bristol City Council	Step Up To Work	25,000
Bristol City Council	Ways To Work	10,000
Bristol Drugs Project	Bristol Drugs project	32,500
British Telecom	Building on Talent Programme	10,000
Cambridge County Council	Pro Help	8,000
Coleraine Borough Council, NI	Building Brighter Futures	65,975
Department For Communities & Local Govt.	Apax - Mosaic Enterprise Challenge	145,000
Department For Communities & Local Govt.	East Midlands Pro Help	52,580
Department of Employment & Learning	BUPA4Work Programme	10,757
Department of Employment & Learning	City Wide Employers Forum	25,000
Department of Enterprise, Trade and Investment	Social Enterprise NI	109,064
Department of Health	Business Action on Public Health	194,201
Department for Works and Pensions	NEA Project - Derbyshire	304,134
Department of Education for NI	Charter	100,000
Department of Education for NI	Time to Read Programme	50,000

Acknowledgements Continued

Department for International Development	Support for International Disaster Relief Award	96,744
Department of Social Development	Digital Assist	17,786
Department of Social Development	Adopt a School-Downpatrick	50,000
DoE, NI	Cost Sector Food Waste Programme	25,971
Environment Agency	NW Marketplace Sustainability Programme Support	5,000
ERDF	Ireland Wales Programme 2013, Interreg 4A	3,047
European Commission	Eurohealthnet - 1st Drivers Project	10,515
GMCVO	Manchester Talent Match	51,336
Hertfordshire County Council	Herts Healthy Workplace	54,772
Job Directions	Strive to Work Programme	18,500
Lancashire County Council	Business Class Support	69,000
NI Environment Agency	Strategic Partnerships	149,982
NI Environment Agency	Salary Support	52,572
NI Environment Agency/DOE	Business Lead Workshops	56,936
NI Environment Link	Challenge Fund - Biodiversity Charter	9,996
NI Environment Link	Challenge Fund - Plan Zhereos	11,373
Oxford City Council	Business Class in Oxford	6,000
Police Service NI	Live a Life less Ordinary, Flexible Working Conference	9,200
Public Health Agency	Protecting Mental Health at Work Conference	11,100
Public Health Agency	£4LB Challenge	4,960
Sheffield City Council	Voluntary Sector Grants Fund 2013-14	5,000
United Utilities	9 Billion Challenge Water project	20,000
The European Agriculture Fund for Rural Development	Pembrokeshire Pro Help	1,595
The Prince's Trust	Talent Match	17,622
UK Commission For Employment and Skills	Business Class	1,024,594
Wates Family Enterprise Trust	Ex-Offenders Programme	10,000
Welsh Government	Wales Small Business Offer	40,000
Welsh Government	Webzone	17,000
Welsh Government	Sustainable Development Forum for Wales- Workplace Travel Challenge	29,889
West Belfast Job Assist	City Wide Employers Forum	10,000
Woking Borough Council	Mosaic Prg Support & Enterprise Challenge In Woking	40,000

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November 2014



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