

THE PRODUCTIVITY GROUP

England & Wales · Charity number 1173660

Details

Status	Registered
Legal form	Charitable company
Company number	10754958
Registered	2017-07-03
Register	View on the Charity Commission register

Contact

Address	Thames Exchange 10 Queen Street Place London EC4R 1AG
Phone	07899834768
Email	accounts@bethebusiness.com
Website	www.bethebusiness.com

Activities

Objects: THE PROMOTION OF INDUSTRY AND COMMERCE IN THE UK FOR THE PUBLIC BENEFIT BY PROMOTING PRODUCTIVITY OF BUSINESS IN ORDER THAT THE UK ECONOMY AS A WHOLE WILL BENEFIT THROUGH IMPROVED BUSINESS SUSTAINABILITY, EMPLOYMENT SECURITY, JOB SATISFACTION AND STANDARDS OF LIVING.

Activities: The Productivity Group (known as Be the Business) is building a movement of businesses of all shapes and sizes across the UK who want to improve their own performance and share their advice and experiences to help others do the same. We provide the inspiration, tools and resources for businesses to get started on their improvement journey.

Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Economic/community Development/employment
- **Who:** Other Defined Groups

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,018,701	£5,064,289	£1,092,684	22
2024-03-31	£11,922,887	£12,718,646	£3,138,272	51
2023-03-31	£11,209,913	£10,922,703	£3,934,031	39
2022-03-31	£13,255,202	£11,628,515	£3,646,821	35
2021-03-31	£18,035,351	£17,854,469	£2,020,134	42

Trustees

Name	Role	Appointed
Sir CHARLIE MAYFIELD	Chair	2017-05-04
Dr HOSEIN KHAJEH-HOSSEINY		2018-09-05
Michael Davis		2024-09-16
TERA ALLAS		2017-05-04

THE PRODUCTIVITY GROUP

England & Wales - Charity number 1173660

Accounts

THE PRODUCTIVITY GROUP
Trading as Be the Business

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Registered charity number: 1173660
Registered company number: 10754958

THE PRODUCTIVITY GROUP (Be the Business)
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FOR THE YEAR ENDED 31 MARCH 2025

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THE PRODUCTIVITY GROUP (Be the Business)
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2025

Company registration number

10754958

Charity registration number

1173660

Registered office

10 Queen Street Place
London
EC4R 1AG

Trustees

Tera Allas
Jeremy Anderson
Sir Charlie Mayfield (Chair)
Hosein Khajeh-Hosseiny
Michael Davis Appointed on 26th June 2024

Key management personnel

Anthony Impey – Chief Executive Officer

Bankers

Lloyds Bank
39 Threadneedle Street
London EC2R 8AU

Auditors

HaysMac LLP
10 Queen Street Place
London EC4R 1AG

THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

Introduction

The trustees, who are also the directors of the charity, have the pleasure in presenting their report together with the financial statements of The Productivity Group (Be the Business) for the year to 31 March 2025.

The reference and administrative information set out on page 1 forms part of this report. These financial statements comply with current statutory requirements, the charity's memorandum and articles, applicable law and the Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Objectives & activities

The charity's objects are defined as the promotion of industry and commerce in the UK for the public benefit by promoting the productivity of business in order that the UK economy as a whole will benefit through improved business sustainability, employment security, job satisfaction and standards of living.

As an independent, private-sector-led charity, we exist to boost the productivity of UK businesses by creating practical, evidence-based support that drives better performance and delivers lasting impact. We achieve this by:

- Developing a deep, evidence-based understanding of businesses and the challenges they face.
- Testing ideas and interventions on the ground to see what works in real settings.
- Producing practical tools, resources, and insights that are easily adoptable by others.
- Building a coalition of partners and stakeholders across the business community to share advice and experience and drive collective action.
- Sharing our findings with policymakers, thought leaders, industry leaders, and small businesses to create lasting improvements in economic performance and quality of life.

Following the conclusion of our grant funding from the Department for Business & Trade last year, we focused this financial year on diversifying and growing our income to continue delivering public benefit, by:

- Delivering services to corporate partners that help small businesses in their supply chains, distribution networks, or customer base, adopt effective practices and improve productivity.
- Securing grants from organisations that support initiatives proven to raise productivity.
- Providing targeted services directly to small businesses, enabling them to strengthen performance and achieve sustainable growth.

The trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit when planning the charity's activities for the year.

Achievements & performance

- The conclusion of our long-standing grant funding from the Department for Business & Trade, which previously accounted for a significant share of our income, marked a pivotal moment for the organisation. This transition prompted us to move towards a more sustainable model for future growth and impact. To achieve this, we undertook a major organisational restructure to reduce costs. To ensure a smooth transition, we committed the charity's own resources to ensure every business enrolled in our programmes was able to complete the programme — enabling us to fully honour our commitments to the businesses we serve. This change has strengthened our foundations, allowing us to emerge more resilient, better positioned to grow, and ready to deliver even greater value to the businesses we support.

THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

- We produced an independent econometric evaluation of the SME productivity programmes that we delivered in partnership with government, which confirmed the significant public benefit of our work. In a sample of 2,600 businesses we supported, the estimated net additional impacts of our work are:
 - Additional employment totalling c.15,000, consisting of c.9,500 jobs realised by the end of 2023 and a further c.5,500 jobs expected by 2026, providing more employment opportunities in local communities.
 - Additional sales totalling c.£2.1bn, consisting of c.£1.2bn revenue realised by the end of 2023 and a further c.£900m expected by 2026, strengthening the UK economy.
 - Additional GVA totalling c.£915m, consisting of c.£515m GVA realised by the end of 2023 and a further c.£400m expected by 2026, improving long-term business performance¹.
 - And, for every £1 of government investment, our programmes returned £24 to the economy - clear evidence of value for money and sustainable impact².
- We completed the final year of our three-year grant from Mastercard's Impact Fund, supported by Mastercard's Centre for Inclusive Growth, delivering the Strive programme for ethnic minority business leaders nationwide. Participants reported increased confidence, stronger networks, and tangible growth in their businesses as a result.
- We completed the second year of our £1.4 million grant from Nominet, in partnership with the University of East London, for the Click Start London programme, equipping young people with vital digital skills and enabling local small businesses to adopt new technology. As a result, young participants improved their employability, and businesses improved their digital capabilities.
- We launched a new three-year strategy for the Construction Productivity Taskforce, uniting developers, primes, subcontractors, and advisors to improve productivity across the sector. By producing measurable, evidence-based insights, we are enabling construction businesses to adopt proven practices and achieve lasting performance gains.
- We continued to share our expertise and insights through a series of publications that informed and supported business leaders across the UK, including:
 - 7th Edition of the Productive Business Index. Surveyed over 1,000 small business leaders to assess performance, attitudes, and future plans. The findings highlighted that businesses led by younger leaders often achieve higher productivity, helping to inform targeted support for leadership development.
 - AI-Powered Potential Report. Used data from over 1,000 business leaders to explore the productivity opportunities offered by AI and current adoption levels. The report identified a significant risk of many businesses being left behind and the need for them to take action.
 - Transforming the High Street Report. Produced in partnership with Deliveroo, this report examined how technology is enabling small hospitality businesses to increase productivity and scale. The insights are helping business owners adopt tools and practices that improve efficiency and growth potential.
- We expanded our support to help business leaders harness the opportunities of AI, piloting programmes that we plan to scale:
 - AI Innovation Lab – A 12-week programme in partnership with Manchester University and the Productivity Institute which involved a select group of businesses tackling real-world challenges using AI. Across 100 hours of knowledge sharing, 80% of participants adopted AI solutions, improving efficiency, reducing costs, and opening new growth opportunities. The programme also contributed to academic research on SME AI adoption.

¹ *Impact of Be the Business SME Support; econometric evidence.* SQW, September 2024

² Calculated using the econometric evidence produced by SQW

THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

- Beyond the Hype – Piloted with 50 businesses to help leaders understand AI's potential and develop actionable implementation plans. With workshops, expert support, and peer learning, participants gained the skills and confidence to integrate AI into their operations and enhance competitiveness.
- We strengthened the services we provide to directly improve productivity and expanded the number of businesses using them, including:
 - Productivity Programme – Gives businesses access to a dedicated advisory board, ongoing mentoring, and regular peer learning, helping them identify opportunities, make changes, and boost performance.
 - Inspiring Leaders Programme – Builds leadership capability through practical experience and peer learning, enabling leaders to make better decisions, develop stronger teams, and deliver improved business results.
- We also worked with corporate partners to co-design and deliver initiatives, programmes, and services that enabled participating businesses to adopt effective practices and achieve measurable productivity gains.

Financial review

Income

Total Income for the year was £3.02 million (2024: £12 million), including:

- **£2.1 million** in pro-bono in-kind support (2024: £6.7 million)
- **£882k** in private income

Over the past five years, we have recognised £31.5 million in pro-bono value, reflecting the strong ongoing commitment of our partners.

Expenditure

During the year the charity underwent a major one-off restructure relating to the ending of the Department of Business and Trade (DBT) grant, reducing headcount from 48 to 18 at year end and incurring other related costs totalling £162k. This strategic decision has streamlined operations and positioned the organisation to function more efficiently and sustainably.

The Group reported a £2.05 million net deficit for the year ended 31 March 2025 (2024: net deficit £796k). This was the result of timing for recognising grant income, restructuring costs, and the use of reserves to cover programme costs once grant funding had ceased. Total Expenditure fell significantly to £5.1 million (2024: £12.7 million), a 60% reduction. This includes £2.1 million in pro-bono support. Our major operational cost remains staffing, which decreased by 50% to £1.8m (2023: £3.6m).

A significant portion of our expenditure, £562k, related to our continuing support of businesses participating in programmes originally funded by the DBT grant, with the following active relationships ending throughout the year:

- The Productivity Programme – 76 places
- Advisory Boards – 67 places
- Mentoring relationships – 100 places

We operated two other significant grant-funded programmes with total related expenditure of £949k. In accordance with grant recognition rules, all related income for these programmes has been recognised in prior years. This expenditure accounts for 46% of the net deficit:

- Mastercard Impact Fund: £403k
- University of Bath (Nominet UK): £546k

THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

At the year end the Group held a cash balance of £1.17 million. Combined with our leaner cost base, this provides the resources and flexibility needed to focus on building our sales strategy and securing long-term financial sustainability.

Commercial Trading subsidiary

The commercial subsidiary generated income of £0.6 million, with all taxable profits gifted to the charity under deed of donation. We anticipate growth in this area and have developed strong partnerships with BT, BAE, and the Construction Taskforce. Our focus remains on deepening these relationships and expanding our commercial reach.

Structure, governance and management

Structure

The Productivity Group is an independent registered charity (charity number 1173660), and a company limited by guarantee (company number 10754958). The charity is governed by the Articles of Association dated 30 June 2017 as amended by special resolution on 3 March 2025.

The trustees of The Productivity Group during the year to 31 March 2025 were Tera Allas, Jeremy Anderson, Hosein Khajeh-Hosseiny, Michael Davis, and Sir Charlie Mayfield.

The charity has a wholly owned commercial subsidiary – Be the Business Trading Limited (company number 10894488). The directors of the commercial subsidiary during the year to 31 March 2025 were Sir Charlie Mayfield, Patricia Blatherwick and Phil Smith.

Appointment of trustees and directors is independent of any third parties and is decided by the existing trustees and directors. The trustees and directors of each entity meet formally on a quarterly basis to review progress and assess the strategy.

Remuneration

Trustees are responsible for approving the pay and remuneration of key management personnel and agreeing annual staff pay increases, taking external benchmarking advice to inform their decisions.

Our salaries are benchmarked against similar roles in comparable charities, private sector businesses and other relevant organisations and they reflect the knowledge, skills, responsibilities and attributes required for the performance of each position.

Induction and training of Trustees

To equip new trustees with the information they need to perform their role effectively, they receive detailed information on their duties and responsibilities under Charity Law and follow a structured induction programme consisting of meetings with the senior management team and other key stakeholders. Trustees also undergo regular training as required.

How the charity makes decisions

Key strategic decisions are made by the trustees and are then delegated to the Senior Leadership Team for implementation.

Fundraising approach

During the year to 31 March 2025, revenue was generated from sales of services to private sector organisations, pro bono contributions from private sector organisations, and non-government grants.

The focus has been on building a pipeline of opportunities that generate private sector income and income from grant giving bodies, to enable us to be financially independent following the end of our funding from government at the end of the last year financial year.

Be the Business does not fundraise directly from members of the public.

Reserves Policy

THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The Trustees have established a reserves policy in order to protect the organisation and its programmes from the risk of disruption at short notice due to a lack of funds, whilst ensuring that it does not retain income for longer than required.

In establishing the reserves policy, the Trustees have considered the following factors:

- The pipeline of non-governmental funding sources and level of risk associated with each one.
- The current level of reserves and level of committed costs.
- Current and future levels of activity and related expenditure, together with the associated risks around each one.
- The business plan and financial forecasts.

The requirements of our grant agreements with Mastercard Impact Fund and Nominet UK mean that these funds may only be used to generate restricted reserves.

Trustees determined that a target of £550k in unrestricted reserves was desirable for 2024/25 to mitigate any potential risks. Unrestricted reserves at 31 March 2025 were above target at £835k, (2024: £1,875k) which trustees have confirmed is appropriate given budget and investment needs for the years ahead.

As at 31 March 2025 the charity also holds £258k in restricted funds (2024: £1,263k), which are to be used for specific purposes as defined by funders.

Risk Management

Be the Business considers good risk management to be a key part of its operational requirements. As such, consideration is given to areas of activity where stakeholders or the reputation of the organisation are potentially vulnerable to adverse actions that could affect:

- Operational performance.
- Achievement of aims and objectives.
- Meeting of stakeholders' expectations.

In formulating the view of risk, the trustees have specifically considered the following:

- Financial Sustainability** – Risks related to the charity's funding streams including reliance on grants and corporate partner support. Mitigation strategies include evaluation of each project, management of funds, diversification of income sources, maintaining prudent reserves, and cost control to ensure operational sustainability.
- Compliance and Regulatory** - Risks related to compliance with legal and regulatory requirements, including charity law, GDPR, and safeguarding obligations. The charity has invested in regular staff training and engages external advisors to ensure adherence to legal standards and best practices.
- Reputational Risks** – Exposure to reputational risks from negative publicity or stakeholder concerns; mitigated by maintaining clear communication policies and procedures and upholding ethical standards.
- Operational and IT Risks** - The ongoing threat of cyberattacks and disruptions to service delivery are managed through robust IT security measures, including data protection protocols and system audits.
- Talent and Volunteer Risk** – The dependency on key members of staff, volunteer engagement and the physical safety and health of our staff and stakeholders; mitigated by introducing a centralised knowledge repository to capture business processes, documentation, and institutional knowledge. Health and safety procedures and annual display screen equipment assessments are in place.

To manage these risks, a register is maintained and reported to the Trustees on an ongoing basis. Periodic monitoring also ensures that systems and procedures are being followed and that new risks are addressed and identified as they arise. External audits and internal reviews take place to assess the effectiveness of risk controls.

Future Plans & Going Concern

This year was our first without grant funding from the Department for Business & Trade, which had previously accounted for a significant proportion of our income and strongly influenced our strategic direction.

In response, we restructured and reoriented the organisation to operate sustainably in a new funding environment, focusing on securing income from private sector partners and grant-makers, and developing propositions that meet the needs of our customers while remaining fully aligned with our charitable objects.

In the year ahead, we will build on this foundation with renewed momentum — extending our reach, amplifying our insights, and delivering greater public benefit.

Our priorities are to:

- Deliver high-quality, value-for-money services to corporate customers and strategic partners, using this work to generate actionable insights that help small businesses boost productivity.
- Form collaborations with universities, corporates, and other expert organisations to deepen our capabilities in high-impact fields such as data analytics and artificial intelligence, enabling us to deliver even greater productivity benefits.
- Build on our leadership in SME AI adoption to develop a robust understanding of how businesses can unlock the full potential of this technology to achieve rapid productivity gains.
- Extend our influence by leveraging the Productive Business Index — enhancing the quality of its data, increasing publication frequency, and expanding its reach across diverse communication channels.
- Increase revenue from large enterprises, grant-making bodies, and public sector tenders, where our SME productivity expertise can deliver measurable value.
- Expand our direct-to-market services by growing participation and strengthening our value proposition, including the Productivity Programme for small and midsize organisations.

Through these priorities, we aim not only to diversify and grow our income, but also to ensure that our work consistently delivers measurable outcomes for the businesses we support, in line with our charitable purposes and the Charity Commission's public benefit requirements.

Given the above, the Trustees are assured that the charity's strategy and ambition are aligned to its founding principles. And having reviewed our financial position, reserves levels, and opportunity pipeline, they are confident that the organisation remains a going concern for the foreseeable future with sufficient reserves forecast for at least twelve months from the date of signing the accounts.

THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

Statement of Trustees' Responsibilities

The trustees (who are also directors of The Productivity Group for the purposes of Company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

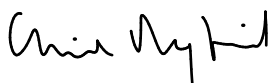
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company, and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

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

In so far as each of the trustees are aware at the time the report is approved:

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

Approved by the Board on 30 October 2025 and signed on its behalf by:



Sir Charlie Mayfield
Chair of Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE PRODUCTIVITY GROUP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE PRODUCTIVITY GROUP

Opinion

We have audited the financial statements of The Productivity Group for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the group and parent charitable company's Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2025 and of the group's and parent charitable company's net movement in funds, including the 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 2, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with the regulations of Employment law and Charity Law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006, Charities Act 2011, Charities SORP (FRS 102) and considered other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks are related to the valuation of pro bono services and the recognition of grant income. Audit procedures performed by the engagement team included:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE PRODUCTIVITY GROUP

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the charity, particularly in relation to the recording of income and processing of payments and payroll, to ensure these were in place throughout the year;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing and testing journal entries made in the year, particularly those made as part of the year-end financial reporting process; and
- Challenging assumptions and judgements made by management in their critical accounting estimate being the recognition and valuation of pro bono services.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Thomas Wilson (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditors

Date: 06/11/2025

10 Queen Street Place
London
EC4R 1AG

THE PRODUCTIVITY GROUP (Be the Business)
GROUP STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
Income and endowments from:					
Donations and pro-bono support	2	698,444	1,438,214	2,136,658	6,690,668
Charitable activities:					
DBT Grant		125,000	-	125,000	3,872,826
Other		131,223	-	131,233	711,413
Other Trading Income	3	625,820	-	625,820	647,980
Total Income		<u>1,580,487</u>	<u>1,438,214</u>	<u>3,018,701</u>	<u>11,922,887</u>
Expenditure on:					
Charitable activities	4	<u>2,621,110</u>	<u>2,443,179</u>	<u>5,064,289</u>	<u>12,718,646</u>
Total Expenditure		<u>2,621,110</u>	<u>2,443,179</u>	<u>5,064,289</u>	<u>12,718,646</u>
Net (Expenditure)/ Income	7	<u>(1,040,623)</u>	<u>(1,004,965)</u>	<u>(2,045,588)</u>	<u>(795,759)</u>
Net Movement in funds		(1,040,623)	(1,004,965)	(2,045,588)	(795,759)
Reconciliation of funds					
Total funds brought forward		<u>1,875,264</u>	<u>1,263,008</u>	<u>3,138,272</u>	<u>3,934,031</u>
Total funds carried forward	14	<u>834,641</u>	<u>258,043</u>	<u>1,092,684</u>	<u>3,138,272</u>

All the above results are derived from continuing activities. There are no recognised gains or losses other than those stated above.

Full comparative figures for the year ended 31 March 2024 are shown in note 19.

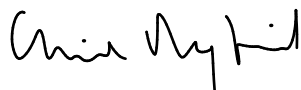
The notes on pages 16 to 24 form part of these financial statements.

	Notes	2025 £	2024 £
Fixed Assets	11	11,936	29,778
Total Fixed Assets		11,936	29,778
Current Assets			
Debtors – amounts falling due within one year	12	424,743	2,092,408
Cash at Bank		1,169,154	1,756,582
Total Current Assets		1,593,897	3,848,990
Liabilities			
Creditors: amounts falling due within one year	13	(513,149)	(740,496)
Net Current Assets		1,080,748	3,108,494
Total Assets less current liabilities		1,092,684	3,138,272
Total Net Assets		1,092,684	3,138,272
The funds of the charity:			
Unrestricted funds		834,641	1,875,264
Restricted funds		258,043	1,263,008
Total Group Funds	15	1,092,684	3,138,272

The company has taken the exemption allowed by section 408 of the Companies Act 2006, not to prepare a company only statement of financial activities. The net deficit for the charity for the year was £(2,045,588) (2024: net deficit of £(795,759)).

The notes on pages 16 to 24 form part of these financial statements.

The accounts were approved by the Trustees on 30 October 2025 and signed on their behalf by:



.....
Sir Charlie Mayfield
Chair

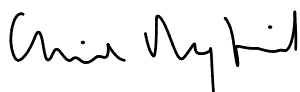
THE PRODUCTIVITY GROUP (Be the Business)
CHARITY BALANCE SHEET
AS AT 31 MARCH 2025

Company number 10754958

	Notes	2025 £	2024 £
Fixed Assets	11	11,936	29,778
Total Fixed Assets		11,936	29,778
Current Assets			
Debtors – amounts falling due within one year	12	1,139,113	2,768,780
Cash at Bank		100,349	1,026,915
Total Current Assets		1,239,462	3,795,695
Liabilities			
Creditors: amounts falling due within one year	13	(158,714)	(687,201)
Net Current Assets		1,080,748	3,108,494
Total Assets less current liabilities		1,092,684	3,138,272
Total Net Assets		1,092,684	3,138,272
The funds of the charity:			
Unrestricted funds		834,641	1,875,264
Restricted funds		258,043	1,263,008
Total Group Funds	15	1,092,684	3,138,272

The notes on pages 16 to 24 form part of these financial statements.

The accounts were approved by the Trustees on 30 October 2025 and signed on their behalf by:



.....
Sir Charlie Mayfield
Chair

THE PRODUCTIVITY GROUP (Be the Business)
GROUP STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Cash flows (used in) / from operating activities	A	(587,428)	(1,848,148)
Cash flows (used in) investing activities			
Net purchase of tangible fixed assets		-	(5,402)
Change in cash and cash equivalents in the period	B	(587,428)	(1,853,550)
Cash and cash equivalents at the beginning of the period		1,756,582	3,610,132
Cash and cash equivalents at the end of the period		<u>1,169,154</u>	<u>1,756,582</u>

A. Reconciliation of net income to net cash flow from operating activities	2025	2024
	£	£
Net Income	(2,045,588)	(795,759)
Decrease/(Increase) in debtors	1,667,665	(686,273)
Decrease in creditors	(227,347)	(387,222)
Depreciation of fixed assets	17,842	21,106
Net Cash provided by operating activities	<u>(587,428)</u>	<u>(1,848,148)</u>

B. Analysis of changes in net cash funds	At 1 April 2024	Cashflows	At 31 March 2025
	£	£	£
Cash in hand	1,756,582	(587,428)	1,169,154
Total cash and cash equivalents	<u>1,756,582</u>	<u>(587,428)</u>	<u>1,169,154</u>

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the Charity and cash and cash equivalents.

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice for Charities (FRS102) applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS 102, with its objective to promote the productivity of business in order that the UK economy as a whole will benefit through improved business sustainability, employment security, job satisfaction and standards of living (see pages 2 and 3 for further details).

The charity has one subsidiary company, Be the Business Trading Ltd, registered in England and Wales under company number 10894488. The group accounts include the results of the subsidiary, consolidated on a line-by-line basis.

General Information

The Productivity Group, trading as Be the Business, was incorporated in England and Wales on 4 May 2017 as a charitable company limited by guarantee (company number 10754958 and a charity registered in England and Wales (charity number 1173660). The registered office address is 10 Queen Street Place, London, England, EC4R 1AG and the charity operates from its principal address at 26-28 Glasshouse Yard, London EC1A 4JU.

Preparation of accounts on a going concern basis

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. Operations have continued successfully to the date of signing these accounts, and the review of our financial position, funding discussions, reserves levels and future plans, Trustees have confidence that the charity remains a going concern for the foreseeable future.

Significant judgements and sources of estimation uncertainty

In preparing the financial statements management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies. The trustees consider that the key area of judgement in the accounts is the valuation of pro-bono support.

Pro-bono support is valued at the lower of the value of the donation to the charity and fair value and is recognised on receipt of the support. We are fortunate to receive a wide range of pro-bono support from a large number of sources which is valued on a prudent basis using appropriate estimation techniques. The rate card developed by management for recurring pro bono support is reviewed annually to test that the valuation assumptions remain appropriate. Material categories of support and the basis for valuation are as follows:

- Programmatic support – includes mentors, advisory board members, sector Steering Group members and others who give their time to facilitate our programmes with SME leaders for free. The support is valued using meeting attendance records or surveys conducted to establish average time commitments, with hourly rates calculated by reference to market rates for the type of support being provided.
- Office space is valued with reference to market rates taking into account the nature of the organisation, the number of desks and facilities provided.

1. ACCOUNTING POLICIES (continued)

Funds structure

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Designated funds are unrestricted funds earmarked by the Trustees for particular activities or purposes. Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or funder.

Income

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered.

Tangible Fixed Asset and Depreciation

All assets costing more than £500 are capitalised. Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their useful lives.

Computer Equipment 33.3% straight line.

Debtors

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

Creditors

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

Pensions

The charity operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of charity in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the period.

Employee short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the period end rate of exchange. Transactions denominated in foreign currencies are translated at the rates prevailing at the transaction date.

Financial instruments

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

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. DONATIONS & PRO-BONO SUPPORT

	2025	2024
	£	£
Programmatic Support	1,865,598	6,239,774
Movement building and campaigns	-	4,920
Secondments	-	30,234
Office space	196,300	390,000
Other pro-bono	74,760	25,740
Total pro-bono	2,136,658	6,690,668

3. OTHER TRADING INCOME

	2025	2024
	£	£
Commercial trading	625,820	647,980
Total other income	625,820	647,980

4. ANALYSIS OF EXPENDITURE 2025

	Staff costs	Direct costs	Support costs	Total 2025	Total 2024
	£	£	£	£	£
Movement building and Campaigns	-	-	-	-	2,465,757
Programmes	1,009,157	2,335,309	362,031	3,706,497	8,350,721
Research and Insights	242,329	95,520	38,109	375,958	766,061
Innovation Lab	574,863	276,313	130,658	981,834	-
Digital tools	-	-	-	-	1,136,107
Total expenditure	1,826,349	2,707,142	530,798	5,064,289	12,718,646

ANALYSIS OF EXPENDITURE 2024

	Staff costs	Direct costs	Support costs	Total 2024	Total 2023
	£	£	£	£	£
Movement building and Campaigns	1,286,221	886,469	293,067	2,465,757	2,645,634
Programmes and Pilots	952,259	6,870,941	527,521	8,350,721	6,202,265
Evaluation Research and Insights	502,614	199,505	63,942	766,061	822,739
Digital tools	675,721	305,860	154,526	1,136,107	1,252,065
Total expenditure	3,416,815	8,262,775	1,039,056	12,718,646	10,922,703

5. SUPPORT COSTS

	2025	2024
	£	£
Staff related costs	116,308	397,935
Office costs	204,644	403,425
IT support	108,408	84,954
Professional fees	55,651	101,161
Depreciation	17,842	21,106
Realised currency gains	565	(27,785)
Irrecoverable VAT	27,380	58,260
	530,798	1,039,056

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

6. GOVERNANCE COSTS (included above)	2025	2024
	£	£
Audit fees	23,030	22,650
Other services	1,200	12,410
	<u>24,230</u>	<u>35,060</u>
7. NET INCOME / EXPENDITURE	2025	2024
	£	£
Net income is stated after charging:		
Auditors' remuneration		
Audit services	23,030	22,650
Other services	1,200	12,410
Depreciation	17,842	21,106
8. STAFF COSTS AND NUMBERS	2025	2024
	£	£
Salaries and wages	1,477,039	2,809,251
Social security costs	154,754	309,913
Pension costs	134,976	255,609
Secondment and consultancy fees	-	130,529
Other staff costs	59,580	69,786
	<u>1,826,349</u>	<u>3,575,088</u>

Included in other staff costs are payments made on termination of £52,578 (2024: £42,042).

	2025	2024
Average staff numbers (including secondees):		
Movement building and Campaigns	-	9.2
Programmes	13.3	16.5
Research and Insights	1.4	2.0
Digital tools	-	4.8
Innovation Lab (formally Partnerships)	4.8	6.0
Finance & Operations (formally Administration staff)	2.8	12.4
	<u>22.3</u>	<u>50.9</u>

Number of employees whose emoluments in the period were:

	2025	2024
£60,000 - £69,999	6	4
£70,000 - £79,999	1	3
£80,000 - £89,999	-	2
£90,000 - £99,999	2	2
£110,000 - £119,999	-	2
£209,999 - £210,000	1	-
£270,000 - £279,999	-	1

Total remuneration of the key management personnel of the charity was £256,213 (2024: £460,181).

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

9. TRUSTEES

No trustees received remuneration from the charity for their services (2024: none). No expenses were reimbursed to trustees in the period. (2024: none)

10. TAXATION

The charity is exempt from corporation tax as all its income is applied for charitable purposes. The charity's trading subsidiary donates to the charity an amount equal to any taxable profits under Gift Aid. Consequently there is no taxation charge for the year (2024: £nil).

11. TANGIBLE FIXED ASSETS – CHARITY AND GROUP

	2025	2024
	£	£
Computer Equipment Cost at 1 April	96,519	91,117
Additions	-	5,402
Disposals	-	-
As at 31 March	96,519	96,519
Depreciation at 1 April	66,741	45,635
Charged in year	17,842	21,106
As at 31 March	84,583	66,741
Net book value at 31 March	11,936	29,778

12. DEBTORS

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Prepayments	22,295	55,020	19,539	55,020
Trade Debtors	210,265	403,870	31,395	360,370
Sundry Debtors	-	6,547	-	6,547
Amounts owed by group undertakings	-	-	895,996	719,872
Accrued income	192,183	1,626,971	192,183	1,626,971
	424,743	2,092,408	1,139,113	2,768,780

Accrued income of £nil (2024 - £nil) in both group and charity is due after more than one year.

13. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade Creditors	104,214	494,836	92,040	494,036
Sundry Creditors	-	2,840	-	2,840
Deferred income	354,671	46,420	23,750	-
Accruals	54,264	196,400	42,924	190,325
	513,149	740,496	158,714	687,201

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

14a. ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP AND CHARITY 2025

	Unrestricted funds £	Restricted funds £	Total 2025 £
Fixed Assets	10,819	1,117	11,936
Current Assets	1,324,579	269,318	1,593,897
Creditors: amounts falling due within one year	(500,757)	(12,392)	(513,149)
Net assets	834,641	258,043	1,092,684

14b. ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP AND CHARITY 2024

	Unrestricted funds £	Restricted funds £	Total 2024 £
Fixed Assets	28,778	1,000	29,778
Current Assets	2,069,020	1,779,970	3,848,990
Creditors: amounts falling due within one year	(222,534)	(517,962)	(740,496)
Net assets	1,875,264	1,263,008	3,138,272

15. NET MOVEMENT IN FUNDS – GROUP 2025

	At 1 April 2024 £	Income £	Expenditure £	At 31 March 2025 £
<u>Restricted funds</u>				
Department for Business & Trade	41,334	-	(41,334)	-
Productivity through People	50,000	-	-	50,000
Mastercard Impact Fund	445,719	-	(403,178)	42,541
Ufi VocTech Trust	5,696	-	(5,696)	-
University of Manchester	8,972	-	(8,972)	-
University of Bath (Nominet UK)	711,287	-	(545,785)	165,502
Other (Pro Bono)	-	1,438,214	(1,438,214)	-
Total restricted funds	1,263,008	1,438,214	(2,443,179)	258,043
<u>Unrestricted funds</u>				
Charity	1,875,264	256,223	(1,296,846)	834,641
Subsidiary	-	1,324,264	(1,324,264)	-
Total unrestricted funds	1,875,264	1,580,487	(2,621,110)	834,641
Total funds	3,138,272	3,018,701	(5,064,289)	1,092,684

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

The nature and purpose of each material restricted fund is as follows:

- **Department for Business & Trade**
Grant agreement to develop new programmes to increase productivity in small businesses, secure support from large enterprises to drive productivity initiatives, and amplify the productivity messages through data-led insights. This grant has been fully spent.
- **Productivity through People**
Donation to develop the Be the Business Productivity through People initiative so that more businesses can be reached with similar high-impact results to the original programme that we delivered through business schools.
- **Mastercard Impact Fund**
Grant agreement as part of the Strive UK initiative to work with Black, Asian and other ethnic minority business leaders from around the country to support the development of their businesses.
- **University of Bath (Nominet UK)**
Grant agreement in partnership with the University of East London to equip 18-25 year olds from disadvantaged backgrounds with digital skills and connect them with local small businesses looking to use productivity-enhancing technology.
- **Other (Pro Bono)**
Made up of 3 types of in-kind support:
 - Programmatic Support – our programmes enable SMEs to benefit from the expertise and support of experienced individuals from a range of business sizes and sectors. All volunteers donate their time and this is tracked and valued at market rates.
 - Office Space – office space donated to the Group.
 - Steering Group – Construction Productivity Taskforce, leading figures in the construction industry have formed a working group to undertake practical interventions designed to make the sector more productive. The members of the taskforce donate their time to the project.

15b. NET MOVEMENT IN FUNDS – GROUP 2024

	At 1 April 2023	Income	Expenditure	At 31 March 2024
	£	£	£	£
<u>Restricted funds</u>				
Department for Business & Trade	277,488	3,872,826	(4,108,980)	41,334
Productivity through People	50,000	-	-	50,000
Mastercard Impact Fund	941,647	-	(495,928)	445,719
Ufi VocTech Trust	40,056	(1,804)	(32,556)	5,696
The University of Manchester	-	24,970	(15,998)	8,972
The University of Bath (Nominet UK)	704,705	654,322	(647,740)	711,287
Scottish Enterprise	3,123	-	(3,123)	-
Other (Pro Bono)	-	6,690,668	(6,690,668)	-
Total restricted funds	2,017,019	11,240,982	(11,994,993)	1,263,008
<u>Unrestricted funds</u>				
Charity	1,917,012	380,544	(422,292)	1,875,264
Subsidiary	-	301,361	(301,361)	-
Total unrestricted funds	1,917,012	681,905	(723,653)	1,875,264
 Total funds	 3,934,031	 11,922,887	 (12,718,646)	 3,138,272

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

16. NET MOVEMENT IN FUNDS – CHARITY 2025

	At 1 April 2024	Income	Expenditure	Gift Aid Transfer	At 31 March 2025
	£	£	£		£
Restricted funds	1,263,008	1,438,214	(2,443,179)	-	258,043
Unrestricted funds	1,875,264	256,223	(1,922,846)	145,196	834,641
Total funds	3,138,272	1,694,437	(3,885,221)	145,196	1,092,684

17. TRADING SUBSIDIARY

The charity owns 100% of the share capital of Be the Business Trading Limited, company number 10894488, (registered in England and Wales). The results for the year to 31 March 2025 are shown below.

	2025 £	2024 £
Turnover	1,324,264	653,685
Administrative costs (including intercompany recharge)	(1,179,068)	(284,343)
Net profit before taxation	145,196	352,324
Net current assets	1	1

100% of the trading subsidiary's taxable profits of £145,196, (2024: £352,324) are donated to the parent under the existing deed of covenant.

18. RELATED PARTY TRANSACTIONS

During the year, overhead expenditure of £113,113 (2024: £72,238) has been recharged to the subsidiary Be the Business Trading Ltd. £276,876 (2024: £119,927) was also recharged to the subsidiary for staff costs during the year.

At 31 March 2025, an amount of £895,997 (2024: £719,871) is owed to The Productivity Group by Be the Business Trading Limited. This figure includes gift aid of £145,196 (2023: £352,324).

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

19. GROUP STATEMENT OF FINANCIAL ACTIVITIES 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2024 £
Income and endowments from:				
Donations and legacies	2	-	6,690,668	6,690,668
Charitable activities:				
DBT Grant		-	3,872,826	3,872,826
Other		33,925	677,488	711,413
Other Trading Income	3	647,980	-	647,980
Total Income		<u>681,905</u>	<u>11,240,982</u>	<u>11,922,887</u>
Expenditure on:				
Charitable activities		<u>723,653</u>	<u>11,994,993</u>	<u>12,718,646</u>
Total Expenditure	4	<u>723,653</u>	<u>11,994,993</u>	<u>12,718,646</u>
Net Income/(Expenditure)	7	<u>(41,748)</u>	<u>(754,011)</u>	<u>(795,759)</u>
Net Movement in funds		(41,748)	(754,011)	(795,759)
Reconciliation of funds				
Total funds brought forward		<u>1,917,012</u>	<u>2,017,019</u>	<u>3,934,031</u>
Total funds carried forward	13	<u>1,875,264</u>	<u>1,263,008</u>	<u>3,138,272</u>

All the above results are derived from continuing activities. There are no recognised gains or losses other than those stated above.

THE PRODUCTIVITY GROUP

England & Wales - Charity number 1173660

Accounts

THE PRODUCTIVITY GROUP
Trading as Be the Business

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Registered charity number: 1173660
Registered company number: 10754958

THE PRODUCTIVITY GROUP (Be the Business)
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FOR THE YEAR ENDED 31 MARCH 2023

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THE PRODUCTIVITY GROUP (Be the Business)
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2024

Company registration number

10754958

Charity registration number

1173660

Registered office

10 Queen Street Place
London
EC4R 1AG

Trustees

Tera Allas
Jeremy Anderson
Sir Charlie Mayfield (Chair)
Hosein Khajeh-Hosseiny

Key management personnel

Anthony Impey – Chief Executive Officer
Helen Puddefoot – Chief Operating Officer (resigned 4th March 2024)

Bankers

Lloyds Bank
39 Threadneedle Street
London EC2R 8AU

Auditors

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

**THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

Introduction

The trustees, who are also the directors of the charity, have the pleasure in presenting their report together with the financial statements of The Productivity Group (Be the Business) for the year to 31 March 2024.

The reference and administrative information set out on page 1 forms part of this report. These financial statements comply with current statutory requirements, the Charity's memorandum and articles, applicable law and the Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Our objective

The promotion of industry and commerce in the UK for the public benefit by promoting the productivity of business in order that the UK economy as a whole will benefit through improved business sustainability, employment security, job satisfaction and standards of living.

Our purpose

To build a movement of businesses of all shapes and sizes across the UK who want to improve their own performance and share their advice and experiences to help others do the same.

We're dedicated to improving productivity across the UK through independent research, data-driven insights, and the development of actionable solutions that work in the real world. We focus on identifying key factors that influence productivity in various sectors. By sharing our findings with policymakers, thought leaders, industry leaders, and small businesses, we seek to create lasting improvements in economic performance and quality of life.

Significant activities

- We fulfilled the requirements of our grant agreement with the Department for Business & Trade by developing new programmes to increase productivity in small businesses, securing support from large enterprises to drive productivity initiatives, and amplifying the productivity messages through data-led insights.
- We completed Year 2 of our three-year grant agreement with Mastercard's Impact Fund (with support from Mastercard's Centre for Inclusive Growth) on their Strive programme working with ethnic minority business leaders from around the country to support the development of their businesses.
- And we commenced a £1.4m grant agreement with Nominet, in partnership with the University of East London, to equip young people with digital skills and connect them with local small businesses looking to adopt new technologies.
- In addition, we worked with several corporate partners including Amex, Visa, Lloyds Banking Group, BAE and members of the Construction Productivity Taskforce to develop and deliver productivity initiatives, programmes and services.

THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

Strategy

Our strategy consists of the following elements:

- (i) Develop strategic partnerships with corporate and grant-giving organisations, who want to invest in improving the productivity of businesses, especially small and midsize enterprises.
- (ii) Innovate new ways that better engage business leaders and produce productivity outcomes that work in the real world.
- (iii) Deliver services and programmes that are proven to accelerate the productivity of businesses and have a meaningful impact.
- (iv) Influence others by developing data-led insights about productivity and the challenges that business leaders face.
- (v) Inform government policy and increase our reach by working with others, to maximise the impact of our work.

Compliance

The Charity has complied with its duty to have due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

Why do we care so much about small business productivity?

SMEs employ **two thirds** of working people in the UK and generate half the income of the private sector.

The leaders of these businesses are among the hardest working and most committed people you'll ever meet. They're highly entrepreneurial. They are heavily invested, financially and emotionally, in their businesses. And just because they run small businesses doesn't diminish what they're capable of.

They have an essential role in unlocking the growth potential of the UK. They're distributed across every part of the country, so their success impacts the local communities in which they operate, improving job security and living standards.

It's because of this that Be the Business exists to increase their productivity.

An introduction from Sir Charlie Mayfield, Chair of the Board of Trustees

We founded Be the Business in 2017, in response to the UK's productivity challenge – namely that the UK has had minimal productivity growth since 2008, meaning that it lags a long way behind many of its international peers including the US, Germany and France¹.

It's often referred to as our productivity puzzle, because it's become a persistent feature of the economy since the financial crisis in 2008. I'm not sure this is correct anymore. In fact, we know many of the things that need to be done to improve productivity – for small businesses, developing leadership and management capabilities and increasing the adoption of technology, can make a massive difference. Just a 1% productivity increase per annum of all small businesses with employees, would add £94bn to the UK economy over 5 years².

Since we started, Be the Business has worked with leaders of small and midsize businesses to understand their challenges and develop practical ways to make their organisations more productive. Whether it's been our advisory boards and mentoring services, or our peer-learning programmes, or our online tools, resources and content, we've made a big difference to businesses we've worked with.

We know this because since we started, we've diligently measured the impact of everything we do. The results of an independent evaluation show that across 2,600 firms that we've worked with, our impact has increased realised and expected Gross Value Added by £917m, added at least 15,000 more jobs and generated additional sales of over £2bn. We expect this to continue to increase as we iterate our existing initiatives and roll out new programmes and services.

This only accounts for some of our work: for example, our research based on working with leaders of small businesses has also helped influence government policy on small business productivity. By sharing our knowledge and insights, we've been able to support the work of other organisations who operate in this space. And we mustn't forget the tens of thousands of small business leaders who have used our resources and content to take their first steps to making their businesses more productive.

Our strength is in the quality of our insights and findings from understanding what really works with real-life businesses. We do not want to overbuild the existing resources or duplicate effort in the existing business support ecosystem. Instead, we are practitioner-led and apply on-the-ground testing of ideas and thinking, to create great resources that others can use and become part of the productivity movement that we are building.

This means that we will continue to be a small organisation with a significant impact. We know that by being truly independent, combined with our charitable status, means that we are best placed to coordinate and collaborate with every organisation, whether in the private, public, academic, or social sector, who has a stake

¹ <https://commonslibrary.parliament.uk/research-briefings/sn02791/#:~:text=International%20comparisons,around%2018%25%20below%20the%20US>

² <https://bethebusiness.com/our-thinking/be-the-business-g7-sme-productive-business-index>

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in improving this country's productivity. Because by enabling others, we can achieve the reach and scale needed to have a significant impact on this country's productivity.

A note from our Chief Executive, Anthony Impey

The leaders of this country's small businesses are some of the most inspiring people that you will meet – they have incredible commitment and dedication, and they make extraordinary sacrifices to turn their dreams into reality. Enabling this group of business leaders to fulfil their full potential is vital to growing the economy.

Their stories are hugely motivational to other business leaders who want to hear from people like them, doing things they can do. It's why we amplify and share these stories with others, including the publication of our first book 'Inspiring Productivity' earlier this year.

Businesses continue to face some of the toughest trading conditions in a generation. High interest rates, squeezed supply chains, and rising wages have all contributed to the big challenges business leaders faced this year. It has been small and midsize firms that were especially impacted. It's only by improving their productivity, that these businesses have been able to get through these tough times by doing more with less. And this has made the work we do more important than ever before.

When we started Be the Business, we were able to move quickly and have an immediate impact thanks to seed funding from government to get our mission moving at pace. That seed money has been hugely important in getting us to where we are today, but it's always been our ambition to be self-funding - still working in partnership with government but funded by the private sector, enabling us to focus 100% on what our customers need - both the large enterprises who partner with us and the small business leaders who we serve. So, during this year, we started the process to become fully financially independent from government.

To achieve this, we refocused Be the Business on delivering three key areas that we know will increase our influence, reach, and impact:

- (i) Ramping up our **influence** by developing the impact of our insights and making them available for partner organisations – our recent Productive Business Index comparing small business productivity in the UK with the other countries in the G7, highlighting the differing levels of confidence and action, is a great example.
- (ii) Building on our proven ability to develop and incubate **innovation** that better engages business leaders and produces productivity outcomes that work in the real world - we've demonstrated this work ever since developing our ground-breaking 'Productivity through People' programme which we launched soon after we started in 2017.
- (iii) Delivering market-tested **services**, that are proven to accelerate the productivity of small and midsize businesses including our Productivity Programme and that enhance the professional development of corporate executives through our Inspiring Leaders Programme.

This new strategic direction has been built from our insight into what our partners and small and midsize business leaders, have taught us over the last seven years. It is based on our resources, intellectual property, and expertise, and powered by an exceptional team.

Financially we are in a strong position to do this. Over the last three years we have pursued a deliberate strategy of reducing our dependence on public funding and increasing the income we generate by providing services to our corporate partners.

We remain totally committed to our charitable status. All the surplus we create is reinvested in developing the impact of our work through our partnerships. We continue to have a strong relationship with government and we will continue to work to support their initiatives that improve small business productivity.

We're excited to be embarking on the next phase of our mission, and we look forward to delivering this strategy with our strategic partners and small business leaders as we enter this new and exciting era.

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The transformation of the organisation has been significant and would not have been possible without the tremendous effort of everyone who has helped us on our mission, including both our long-standing and new strategic partners from the private sector, government officials and ministers, those business leaders who have informed what we do, given up their time to support other business leaders and taken part in our programmes, and a whole host of others who have cheered us on and promoted what we do.

But none of this would have been possible without the dedication of the Be the Business team, whose hard work and commitment to the productivity mission has made a huge difference to the businesses we work with. Thank you for everything you do.

Our values

Our organisation is underpinned by three values that guide everything we do:

- **Be bold.**
Challenge the status quo. We inspire courage to drive bold continuous action.
- **Be Purposeful.**
Move with energy and purpose. We connect ambitious people to create a brighter future for all.
- **Be the Change.**
1% improvements add up. We create lasting impact from small changes.

Our strategy

There are three pillars to our strategy, based on our understanding of how to address the productivity challenges, the expertise and resources we've developed, and the different requirements of the partners that we work with:

- **Be the Business Knowledge Centre** develops the impact of our insights and amplifies our work by publishing and promoting our thought leadership, including the Productive Business Index - our flagship dataset and report.
- **Be the Business Lab** builds on our ability to develop and incubate innovation that produces productivity gains in the real world, by providing practitioner-led research services to corporates and grant givers.
- **Be the Business Product** delivers market-tested productivity programmes and services for small and midsize businesses as well as providing professional development of corporate executives.

Achievements

2023/24 at a glance

- **Apr 23:** Launched the Click Start project, in partnership with Nominet and University of East London to equip 18-25 year-olds from disadvantaged backgrounds with digital skills and connect them with local small businesses with digital requirements.
- **May 23:** Published the Inspiring Greater Productivity book³ – a collection of stories about 40 small and midsize business leaders who made changes to their organisations that improved their productivity.

³ https://bethebusiness.typeform.com/to/G6TbaR8e?utm_source=xxxxx&typeform-source=bethebusiness.com#source=homepage

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- **Jul 23:** Published the Productive Business Index G7 Report⁴ – which highlighted the gap between the confidence and action of business leaders in the UK compared to their peers in the other G7 countries.
- **Sep 23:** Launched the Productivity Programme⁵ – which brought together our mentoring, advisory boards and peer learning initiatives into a single programme for leaders of small and midsize businesses.
- **Dec 23:** Launched the Inspiring Leaders Programme⁶ - which created a professional development route for corporate executives by combining training resources with the experience of working with a small business leadership team.
- **Mar 24:** Recruited over 150 businesses in the initial pilot of the Productivity Programme, with positive feedback and strong net promoter scores from participants.
- **Mar 24:** Completed Year 2 of our partnership with Mastercard's Impact Fund including over 4k digital activations and more than 150 mentoring and advisory board partnerships.
- **Throughout the year:** coverage in multiple media outlets including the Financial Times, The Times, and Sky News.

⁴ <https://bethebusiness.com/our-thinking/be-the-business-g7-sme-productive-business-index>

⁵ <https://bethebusiness.com/programmes/the-productivity-programme>

⁶ <https://bethebusiness.com/programmes/inspiringleaders>

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Financial review

Income

In the year ending 31 March 2024, the Group recognised £3.9m of Government grant income (2023: £4.8m) and £8m of private income (2023: £6.4m) of which £6.7m was pro-bono in kind support (2023: £4.9m), bringing the total recognised pro-bono value over five years to £29.4 million.

Our net loss for the year of £796k (2023: net income £287k) primarily related to expenditure on our Mastercard Grant of £496k, in accordance with the grant, all income was recognised in the year ending March 2023, and a loss on our government grant of £236k.

Expenditure

Expenditure rose to £12.7m from £10.9m, an increase of 16%, primarily due to the increase in in-kind support donated by our volunteer base. Due to the nature of our work, staff costs represent the other major expense and these costs rose to £3.6m (2023: £3.1m) an increase of 14%.

The reduction in our cash balance of £1.8m, expected but significant, was due to the net loss, amounts owed by our primary funder, subsequently settled, and a purposeful reduction in our creditor liability.

Commercial Trading subsidiary

The commercial subsidiary had income of £0.6 million and all taxable profits are gifted to the charity under deed of donation. We expect activity through the subsidiary to grow in coming years and as at September 2024 we have secured partnerships with BT, Microsoft, Cisco, and the Construction Taskforce, and we continue to build and strengthen our corporate relationships.

Structure, governance and management

Structure

The Productivity Group is an independent registered charity (charity number 1173660), and a company limited by guarantee (company number 10754958). The charity is governed by the Articles of Association dated 30 June 2017.

The trustees of The Productivity Group during the year to 31 March 2024 were Tera Allas, Jeremy Anderson, Hosein Khajeh-Hosseiny, and Sir Charlie Mayfield.

The charity has a wholly owned commercial subsidiary – Be the Business Trading Limited (company number 10894488). The directors of the commercial subsidiary during the year to 31 March 2024 were Paula Carter, Sir Charlie Mayfield, and Phil Smith.

Appointment of trustees and directors is independent of any third parties and is solely decided upon by with the agreement existing trustees and directors. The trustees and directors of each entity meet formally on a quarterly basis to review progress and assess the strategy.

Remuneration

Trustees are responsible for approving the pay and remuneration of key management personnel and agreeing annual staff pay increases, taking external benchmarking advice to inform their decisions.

Our salaries are benchmarked against similar roles in comparable charities, private sector businesses and other relevant organisations and they reflect the knowledge, skills, responsibilities and attributes required for the performance of each position.

Induction and training of Trustees

To equip new trustees with the information they need to perform their role effectively, they receive detailed information on their duties and responsibilities under Charity Law and follow a structured induction programme consisting of meetings with the senior management team and other key stakeholders. Trustees also undergo regular training as required.

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How the charity makes decisions

Key strategic decisions are made by the trustees and are then delegated to the Senior Leadership Team for implementation.

Fundraising approach

During the year to 31 March 2024, Be the Business operated a split funding model, made up of government and non-government grants, and contributions from commercial organisations (both financial and pro-bono).

The focus has been on building a pipeline of opportunities that generate private sector income and income from grant giving bodies, to enable us to be financially independent of government from 1 April 2024 onwards.

Be the Business does not fundraise directly from members of the public.

Reserves Policy

The Trustees have established a reserves policy in order to protect the organisation and its programmes from the risk of disruption at short notice due to a lack of funds, whilst ensuring that it does not retain income for longer than required.

In establishing the reserves policy, the Trustees have considered the following factors:

- The level of dependency on government funds, restrictions upon their use and the agreed notice periods related to changes in funding levels.
- The pipeline of non-governmental funding sources and level of risk associated with each one.
- The current level of reserves and level of committed costs.
- Current and future levels of activity and related expenditure, together with the associated risks around each one.
- The business plan and financial forecasts.

The requirements of our grant agreements with the Department of Business and Trade, Mastercard Impact Fund and Nominet UK mean that these funds may be used to generate unrestricted reserves.

Trustees have determined that a target of £550k in unrestricted reserves is desirable for 2023/24 to mitigate any potential risks. Unrestricted reserves at 31 March 2024 were above target at £1,875k, (2023: £1,917k) which trustees have confirmed is appropriate given budget and investment needs for the years ahead.

As at 31 March 2024 the charity also holds £1,263k in restricted funds (2023: £2,017k), which are to be used for specific purposes as defined by funders

Risk Management

Be the Business considers good risk management to be a key part of its operational requirements. As such, consideration is given to areas of activity where stakeholders or the reputation of the organisation are potentially vulnerable to adverse actions that could affect:

- Operational performance.
- Achievement of aims and objectives.
- Meeting of stakeholders' expectations.

In formulating the view of risk, the trustees have specifically considered the following:

- a) Financial Sustainability – Risks related to the charity's funding streams including reliance on grants and corporate partner support. Mitigation strategies include evaluation of each project, management of funds, diversification of income sources, maintaining prudent reserves, and cost control to ensure operational sustainability.

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- b) Compliance and Regulatory - Risks related to compliance with legal and regulatory requirements, including charity law, GDPR, and safeguarding obligations. The charity has invested in regular staff training and engages external advisors to ensure adherence to legal standards and best practices.
- c) Reputational Risks – Exposure to reputational risks from negative publicity or stakeholder concerns; mitigated by maintaining clear communication policies and procedures and upholding ethical standards.
- d) Operational and IT Risks - The ongoing threat of cyberattacks and disruptions to service delivery are managed through robust IT security measures, including data protection protocols and system audits.
- e) Talent and Volunteer Risk – The dependency on key members of staff, volunteer engagement and the physical safety and health of our staff and stakeholders; mitigated by introducing a centralised knowledge repository to capture critical live processes, documentation, and institutional knowledge. Health and safety procedures and annual display screen equipment assessments are in place.

To manage these risks, a register is maintained and reported to the Trustees on an ongoing basis. Periodic monitoring also ensures that systems and procedures are being followed and that new risks are addressed and identified as they arise. External audits and internal reviews take place to assess the effectiveness of risk controls.

Future plans and going concern

During this year, we laid the foundations of our new strategy to become financially sustainable and fully independent of government funding. This is enabling us to focus 100% of what our customers need and will be the basis of our work going forward. This will include:

- Building our influence with particular focus on leveraging the Productive Business Index, (which is already the largest survey of its type with over 1m datapoints about small business productivity) by enhancing the quality of data, increasing the frequency of publication and boosting media exposure.
- Continue to develop our research and incubate innovation that increases our understanding of making productivity work for small businesses in the real world, by working with corporate partners, grant-giving bodies and government agencies on specific projects and initiatives.
- Establish our direct-to-market services by growing the number of participants and developing our value proposition, including the Productivity Programme for small and midsize organisations, and Inspiring Leaders for midsize and large organisations.

This activity will enable us to solidify our strategy and, crucially, to continue to have significant and meaningful impact on the country's productivity. We intend to develop our partnerships with others, including local government, to reach more businesses with our resources and expertise which we know make a real difference to the businesses that have access to them.

Going concern

Given the above, the Trustees are assured that the charity's strategy and ambition are aligned to its founding principles. And having reviewed our financial position, reserves levels, and opportunity pipeline, they are confident that the organisation remains a going concern for the foreseeable future with reserves forecast for at least twelve months from the date of signing the accounts.

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TRUSTEES' REPORT
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Statement of Trustees' Responsibilities

The trustees (who are also directors of The Productivity Group for the purposes of Company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

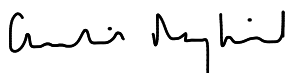
The trustees are responsible for keeping adequate accounting records that are disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for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

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

In so far as each of the trustees are aware at the time the report is approved:

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

Approved by the Board on 25 September 2024 and signed on its behalf by:



Sir Charlie Mayfield
Chair of Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE PRODUCTIVITY GROUP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE PRODUCTIVITY GROUP

Opinion

We have audited the financial statements of The Productivity Group for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the group and parent charitable company's Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's and parent charitable company's net movement in funds, including the 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 2, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the reporting requirements of the Department for Business & Trade (DBT) and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Charities SORP (2019), Companies Act 2006 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks are related to the valuation of pro bono services and the recognition of grant income. Audit procedures performed by the engagement team included:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE PRODUCTIVITY GROUP

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the charity, particularly in relation to the recording of income and processing of payments and payroll, to ensure these were in place throughout the year;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing and testing journal entries made in the year, particularly those made as part of the year end financial reporting process; and
- Challenging assumptions and judgements made by management in their critical accounting estimate being the recognition and valuation of pro bono services.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Thomas Wilson (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 29/10/2024

THE PRODUCTIVITY GROUP (Be the Business)
GROUP STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Total 2023 £
Income and endowments from:					
Donations and pro-bono support	2	-	6,690,668	6,690,668	4,909,534
Charitable activities:					
DBT Grant		-	3,872,826	3,872,826	4,841,251
Other		33,925	677,488	711,413	883,786
Other Trading Income	3	647,980	-	647,980	575,342
Total Income		<u>681,905</u>	<u>11,240,982</u>	<u>11,922,887</u>	<u>11,209,913</u>
Expenditure on:					
Charitable activities		<u>723,653</u>	<u>11,994,993</u>	<u>12,718,646</u>	<u>10,922,703</u>
Total Expenditure	4	<u>723,653</u>	<u>11,994,993</u>	<u>12,718,646</u>	<u>10,922,703</u>
Net (Expenditure)/ Income	7	<u>(41,748)</u>	<u>(754,011)</u>	<u>(795,759)</u>	<u>287,210</u>
Net Movement in funds		(41,748)	(754,011)	(795,759)	287,210
Reconciliation of funds					
Total funds brought forward		<u>1,917,012</u>	<u>2,017,019</u>	<u>3,934,031</u>	<u>3,646,821</u>
Total funds carried forward	14	<u>1,875,264</u>	<u>1,263,008</u>	<u>3,138,272</u>	<u>3,934,031</u>

All the above results are derived from continuing activities. There are no recognised gains or losses other than those stated above.

Full comparative figures for the year ended 31 March 2023 are shown in note 19.

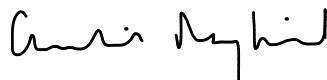
The notes on pages 19 to 27 form part of these financial statements.

	Notes	2024 £	2023 £
Fixed Assets	11	29,778	45,483
Total Fixed Assets		29,778	45,483
Current Assets			
Debtors – amounts falling due within one year	12	2,092,408	1,406,134
Cash at Bank		1,756,582	3,610,132
Total Current Assets		3,848,990	5,016,266
Liabilities			
Creditors: amounts falling due within one year	13	(740,496)	(1,127,718)
Net Current Assets		3,108,494	3,888,548
Total Assets less current liabilities		3,138,272	3,934,031
Total Net Assets		3,138,272	3,934,031
The funds of the charity:			
Unrestricted funds		1,875,264	1,917,012
Restricted funds		1,263,008	2,017,019
Total Group Funds	15	3,138,272	3,934,031

The company has taken the exemption allowed by section 408 of the Companies Act 2006, not to prepare a company only statement of financial activities. The net loss for the charity for the year was £(795,759) (2023: net income of £287,210).

The notes on pages 19 to 27 form part of these financial statements.

The accounts were approved by the Trustees on 25 September 2024 and signed on their behalf by:



.....
 Sir Charlie Mayfield
 Chair

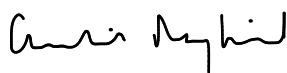
THE PRODUCTIVITY GROUP (Be the Business)
CHARITY BALANCE SHEET
AS AT 31 MARCH 2024

Company number 10754958

	Notes	2024 £	2023 £
Fixed Assets	11	29,778	45,483
Total Fixed Assets		29,778	45,483
Current Assets			
Debtors – amounts falling due within one year	12	2,768,780	1,760,113
Cash at Bank		1,026,915	2,972,444
Total Current Assets		3,795,695	4,732,557
Liabilities			
Creditors: amounts falling due within one year	13	(687,201)	(844,009)
Net Current Assets		3,108,494	3,888,548
Total Assets less current liabilities		3,138,272	3,934,031
Total Net Assets		3,138,272	3,934,031
The funds of the charity:			
Unrestricted funds		1,875,264	1,917,012
Restricted funds		1,263,008	2,017,019
Total Group Funds	15	3,138,272	3,934,031

The notes on pages 19 to 27 form part of these financial statements.

The accounts were approved by the Trustees on 25 September 2024 and signed on their behalf by:



.....
 Sir Charlie Mayfield
 Chair

THE PRODUCTIVITY GROUP (Be the Business)
GROUP STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Cash flows (used in) / from operating activities	A	(1,848,148)	88,117
Cash flows (used in) investing activities			
Net purchase of tangible fixed assets		(5,402)	(38,288)
Change in cash and cash equivalents in the period	B	(1,853,550)	49,829
Cash and cash equivalents at the beginning of the period		3,610,132	3,560,303
Cash and cash equivalents at the end of the period		<u>1,756,582</u>	<u>3,610,132</u>

A. Reconciliation of net income to net cash flow from operating activities	2024	2023
	£	£
Net Income	(795,759)	287,210
(Increase) in debtors	(686,273)	(235,637)
(Decrease)/Increase in creditors	(387,222)	22,022
Depreciation of fixed assets	21,106	14,522
Net Cash provided by operating activities	<u>(1,848,148)</u>	<u>88,117</u>

B. Analysis of changes in net cash funds	At 1 April 2023	Cashflows	At 31 March 2024
	£	£	£
Cash in hand	3,610,132	(1,853,550)	1,756,582
Total cash and cash equivalents	<u>3,610,132</u>	<u>(1,853,550)</u>	<u>1,756,582</u>

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the Charity and cash and cash equivalents

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice for Charities (FRS102) applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Act 2011.

The charity meets the definition of a public benefit entity under FRS 102, with its objective to promote the productivity of business in order that the UK economy as a whole will benefit through improved business sustainability, employment security, job satisfaction and standards of living (see pages 2 and 3 for further details).

The charity has one subsidiary company, Be the Business Trading Ltd, registered in England and Wales under company number 10894488. The group accounts include the results of the subsidiary, consolidated on a line-by-line basis.

General Information

The Productivity Group, trading as Be the Business, was incorporated in England and Wales on 4 May 2017 as a charitable company limited by guarantee (company number 10754958 and a charity registered in England and Wales (charity number 1173660). The registered office address is 10 Queen Street Place, London, England, EC4R 1AG and the charity operates from its principal address at 26-28 Glasshouse Yard, London EC1A 4JU.

Preparation of accounts on a going concern basis

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. Operations have continued successfully to the date of signing these accounts, and the review of our financial position, funding discussions, reserves levels and future plans, Trustees have confidence that the charity remains a going concern for the foreseeable future.

Significant judgements and sources of estimation uncertainty

In preparing the financial statements management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies. The trustees consider that the key area of judgement in the accounts is the valuation of pro-bono support.

Pro-bono support is valued at the lower of the value of the donation to the charity and fair value and is recognised on receipt of the support. We are fortunate to receive a wide range of pro-bono support from a large number of sources which is valued on a prudent basis using appropriate estimation techniques. The rate card developed by management for recurring pro bono support is reviewed every six months to test that the valuation assumptions remain appropriate. Material categories of support and the basis for valuation are as follows:

- Programmatic support – includes mentors, advisory board members, sector Steering Group members and others who give their time to facilitate our programmes with SME leaders for free. The support is valued using meeting attendance records or surveys conducted to establish average time commitments, with hourly rates calculated by reference to market rates for the type of support being provided.
- Movement building and campaign support – includes: promotional activity by our partners to help our content and events reach as many SME leaders as possible, including delivery of webinars on the charity's behalf (valued with reference to the size of audience reached and media rate cards); Be the Business Fellows' time, being senior business leaders who work with us to promote the productivity movement and build stakeholder networks (valued based on time sheets and hourly rate for the type of support being provided); pro bono agency support and ad credits (valued based on rates paid by the charity for comparable services).
- Consultancy to support our thought leadership research and programmatic development, valued based on charitable rate cards of the relevant consultancies gifting their time.
- Secondments of staff roles are valued based on the price paid by the charity for comparable roles.
- Office space is valued with reference to market rates taking into account the nature of the organisation, the number of desks and facilities provided.

1. ACCOUNTING POLICIES (continued)

Funds structure

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Designated funds are unrestricted funds earmarked by the Trustees for particular activities or purposes. Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or funder.

Income

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered.

Tangible Fixed Asset and Depreciation

All assets costing more than £500 are capitalised. Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their useful lives.

Computer Equipment 33.3% straight line.

Debtors

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

Creditors

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

Pensions

The charity operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of charity in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the period.

Employee short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the period end rate of exchange. Transactions denominated in foreign currencies are translated at the rates prevailing at the transaction date.

Financial instruments

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

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

2. DONATIONS & PRO-BONO SUPPORT	2024	2023
	£	£
Donations	-	50,675
Programmatic Support	6,239,774	4,435,215
Movement building and campaigns	4,920	23,897
Consultancy	-	4,827
Secondments	30,234	-
Office space	390,000	390,000
Other pro-bono	25,740	4,920
Total pro-bono	6,690,668	4,858,859
Total donations & pro-bono support	6,690,668	4,909,534

3. OTHER TRADING INCOME	2024	2023
	£	£
Primary purpose trading	-	111,875
Commercial trading	647,980	463,467
Total other income	647,980	575,342

4. ANALYSIS OF EXPENDITURE 2024	Staff costs	Direct costs	Support costs	Total 2024	Total 2023
	£	£	£	£	£
Movement building and Campaigns	1,286,221	886,469	293,067	2,465,757	2,645,634
Programmes and Pilots	952,259	6,870,941	527,521	8,350,721	6,202,265
Evaluation Research and Insights	502,614	199,505	63,942	766,061	822,739
Digital tools	675,721	305,860	154,526	1,136,107	1,252,065
Total expenditure	3,416,815	8,262,775	1,039,056	12,718,646	10,922,703

ANALYSIS OF EXPENDITURE 2023	Staff costs	Direct costs	Support costs	Total 2023	Total 2022
	£	£	£	£	£
Movement building and Campaigns	1,023,521	1,345,618	276,495	2,645,634	2,785,985
Programmes and Pilots	866,341	5,051,889	284,035	6,202,268	6,045,884
Evaluation Research and Insights	420,616	341,797	60,326	822,739	1,026,828
Digital tools	688,428	387,686	175,951	1,252,065	1,589,818
Total expenditure	2,998,906	7,126,990	796,807	10,922,703	11,628,515

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

5. SUPPORT COSTS	2024	2023
	£	£
Staff related costs	397,935	191,617
Office costs	403,425	399,123
IT support	84,954	114,368
Professional fees	101,161	107,073
Depreciation	21,106	12,596
Realised currency gains	(27,785)	(94,709)
Irrecoverable VAT	58,260	64,814
	<u>1,039,056</u>	<u>796,807</u>
6. GOVERNANCE COSTS (included above)	2024	2023
	£	£
Audit fees	22,650	21,000
Other services	12,410	9,744
	<u>35,060</u>	<u>30,744</u>
7. NET INCOME / EXPENDITURE	2024	2023
	£	£
Net income is stated after charging:		
Auditors' remuneration		
Audit services	22,650	21,000
Other services	12,410	9,744
Depreciation	21,106	14,522
8. STAFF COSTS AND NUMBERS	2024	2023
	£	£
Salaries and wages	2,809,251	2,479,039
Social security costs	309,913	283,468
Pension costs	255,609	229,205
Secondment and consultancy fees	130,529	176,810
Other staff costs	69,786	31,700
	<u>3,575,088</u>	<u>3,143,644</u>

Included in other staff costs are payments made on termination of £42,042 (2023: £15,347).

	2024	2023
Average staff numbers (including secondees):		
Movement building and Campaigns	9.2	9.2
Programmes and Pilots	16.5	9.4
Evaluation Research and Insights	2.0	2.0
Digital tools	4.8	5.8
Partnerships	6.0	4.6
Administration staff (including core senior leadership team)	12.4	8.2
	<u>50.9</u>	<u>39.3</u>

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Number of employees whose emoluments in the period were:

	2024	2023
£60,000 - £69,999	4	1
£70,000 - £79,999	3	4
£80,000 - £89,999	2	7
£90,000 - £99,999	2	1
£110,000 - £119,999	2	-
£270,000 - £279,999	1	1

Total remuneration of the key management personnel of the charity was £460,181 (2023: £1,099,184).

9. TRUSTEES

No trustees received remuneration from the charity for their services (2023: none). No expenses were reimbursed to trustees in the period. (2023: none)

10. TAXATION

The charity is exempt from corporation tax as all its income is applied for charitable purposes. The charity's trading subsidiary donates to the charity an amount equal to any taxable profits under Gift Aid. Consequently there is no taxation charge for the year (2023: £nil).

11. TANGIBLE FIXED ASSETS – CHARITY AND GROUP

	2024 £	2023 £
Cost at 1 April	91,117	52,829
Additions	5,402	38,288
Disposals	-	-
As at 31 March	96,519	91,117
Depreciation at 1 April	45,635	31,112
Charged in year	21,106	14,522
As at 31 March	66,741	45,634
Net book value at 31 March	29,778	45,483

12. DEBTORS

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Prepayments	55,020	162,188	55,020	161,794
Debtors	403,870	107,373	360,370	10,563
Sundry Debtors	6,547	-	6,547	-
Amounts owed by group undertakings	-	-	719,872	451,183
Accrued income	1,626,971	1,136,573	1,626,971	1,136,573
	2,092,408	1,406,134	2,768,780	1,760,113

Accrued income of £nil (2023 - £nil) in both group and charity is due after more than one year.

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

13. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trade Creditors	494,836	491,860	494,036	487,360
Sundry Creditors	2,840	27,276	2,840	13,592
Deferred income	46,420	255,000	-	-
Accruals	196,400	353,582	190,325	343,057
	<u>740,496</u>	<u>1,127,718</u>	<u>687,201</u>	<u>844,009</u>

14a. ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP AND CHARITY 2024

	Unrestricted funds	Restricted funds	Total 2024
	£	£	£
Fixed Assets	28,778	1,000	29,778
Current Assets	2,069,020	1,779,970	3,848,990
Creditors: amounts falling due within one year	(222,534)	(517,962)	(740,496)
Net assets	<u>1,875,264</u>	<u>1,263,008</u>	<u>3,138,272</u>

14b. ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP AND CHARITY 2023

	Unrestricted funds	Restricted funds	Total 2023
	£	£	£
Fixed Assets	43,721	1,762	45,483
Current Assets	2,236,700	2,779,566	5,016,266
Creditors: amounts falling due within one year	(363,409)	(764,309)	(1,127,718)
Net assets	<u>1,917,012</u>	<u>2,017,019</u>	<u>3,934,031</u>

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

15. NET MOVEMENT IN FUNDS – GROUP 2024

	At 1 April 2023	Income	Expenditure	At 31 March 2024
	£	£	£	£
<u>Restricted funds</u>				
Department for Business & Trade	277,488	3,872,826	(4,108,980)	41,334
Productivity through People	50,000	-	-	50,000
Mastercard Impact Fund	941,647	-	(495,928)	445,719
Ufi VocTech Trust	40,056	(1,804)	(32,556)	5,696
The University of Manchester	-	24,970	(15,998)	8,972
The University of Bath (Nominet UK)	704,705	654,322	(647,740)	711,287
Scottish Enterprise	3,123	-	(3,123)	-
Other (Pro Bono)	-	6,690,668	(6,690,668)	-
Total restricted funds	2,017,019	11,240,982	(11,994,993)	1,263,008
<u>Unrestricted funds</u>				
Charity	1,917,012	380,544	(422,292)	1,875,264
Subsidiary	-	301,361	(301,361)	-
Total unrestricted funds	1,917,012	681,905	(723,653)	1,875,264
 Total funds	 3,934,031	 11,922,887	 (12,718,646)	 3,138,272

The nature and purpose of each material restricted fund is as follows:

- Department for Business & Trade**
Grant agreement to develop new programmes to increase productivity in small businesses, secure support from large enterprises to drive productivity initiatives, and amplify the productivity messages through data-led insights.
- Productivity through People**
Donation to develop the Be the Business Productivity through People initiative so that more businesses can be reached with similar high-impact results to the original programme that we delivered through business schools.
- Mastercard Impact Fund**
Grant agreement as part of the Stive UK initiative to work with Black, Asian and other ethnic minority business leaders from around the country to support the development of their businesses.
- University of Bath (Nominet UK)**
Grant agreement in partnership with the University of East London to equip 18-25 year olds from disadvantaged backgrounds with digital skills and connect them with local small businesses looking to use productivity-enhancing technology.

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

15b. NET MOVEMENT IN FUNDS – GROUP 2023

	At 1 April 2022	Income	Expenditure	At 31 March 2023
	£	£	£	£
<u>Restricted funds</u>				
Department for Business & Trade	122,204	4,841,251	(4,685,967)	277,488
Productivity through People	50,000	-	-	50,000
Good Things Foundation	68,959	-	(68,959)	-
Mastercard Impact Fund	1,359,680	-	(418,033)	941,647
Ufi VocTech Trust	-	50,000	(9,944)	40,056
The University of Bath-Nominet UK	-	785,794	(81,089)	704,705
Scottish Enterprise	-	32,637	(29,514)	3,123
Other (Pro Bono)	-	4,858,859	(4,858,859)	-
Total Restricted funds	1,600,843	10,568,541	(10,152,365)	2,017,019
<u>Unrestricted funds</u>				
Charity	2,045,978	176,251	(305,217)	1,917,012
Subsidiary	-	465,121	(465,121)	-
Total Unrestricted funds	2,045,978	641,372	770,338	1,917,012
 Total funds	 3,646,821	 11,209,913	 (10,922,703)	 3,934,031

16a. NET MOVEMENT IN FUNDS – CHARITY 2024

	At 1 April 2023	Income	Expenditure	Gift Aid Transfer	At 31 March 2024
	£	£	£		£
Restricted funds	2,017,019	11,240,982	(11,994,993)	-	1,263,008
Unrestricted funds	1,917,012	329,581	(723,653)	352,324	1,875,264
Total funds	3,934,031	11,570,563	(12,718,646)	352,324	3,138,272

17. TRADING SUBSIDIARY

The charity owns 100% of the share capital of Be the Business Trading Limited, company number 10894488, (registered in England and Wales). The results for the year to 31 March 2024 are shown below.

	2024 £	2023 £
Turnover	653,685	465,121
Administrative costs (including intercompany recharge)	(301,361)	(284,343)
Net profit before taxation	352,324	180,778
 Net current assets	 1	 1

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

100% of the trading subsidiary's taxable profits of £352,324, (2023: £180,778) are donated to the parent under the existing deed of covenant.

18. RELATED PARTY TRANSACTIONS

There were no related party transactions in 2024 (2023: £nil).

19. GROUP STATEMENT OF FINANCIAL ACTIVITIES 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Income and endowments from:				
Donations and legacies	2	50,675	4,858,859	4,909,534
Charitable activities:				
DBT Grant		-	4,841,251	4,841,251
Other		15,355	868,431	883,786
Other Trading Income	3	575,342	-	575,342
Total Income		641,372	10,568,541	11,209,913
Expenditure on:				
Charitable activities		770,338	10,152,365	10,922,703
Total Expenditure	4	770,338	10,152,365	10,922,703
Net Income/(Expenditure)	7	(128,966)	416,176	287,210
Net Movement in funds		(128,966)	416,176	287,210
Reconciliation of funds				
Total funds brought forward		2,045,978	1,600,843	3,646,821
Total funds carried forward	13	1,917,012	2,017,019	3,934,031

All the above results are derived from continuing activities. There are no recognised gains or losses other than those stated above.

THE PRODUCTIVITY GROUP

England & Wales - Charity number 1173660

Accounts

THE PRODUCTIVITY GROUP
Trading as Be the Business

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Registered charity number: 1173660
Registered company number: 10754958

THE PRODUCTIVITY GROUP (Be the Business)
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FOR THE YEAR ENDED 31 MARCH 2023

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**THE PRODUCTIVITY GROUP (Be the Business)
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2023**

Company registration number

10754958

Charity registration number

1173660

Registered office

10 Queen Street Place
London
EC4R 1AG

Trustees

Tera Allas
Jeremy Anderson
Sir Charlie Mayfield (Chair)
Hosein Khajeh-Hosseiny

Key management personnel

Adam Hardy – Head of Evaluation & Insights (From 1 December 2022)
Anna Drummond – Head of Strategic Partnerships (From 1 January 2023)
Anthony Impey – Chief Executive Officer
Elizabeth Ball – Co-Head of Finance (From 19 December 2022)
Helen Puddefoot – Chief Operating Officer (From 1 December 2022), previously Director of Strategic Partnerships (until 30 November 2022)
Helen Wright – Chief Financial Officer (Left 23 December 2022)
James Gribben – Head of Communications
Jennifer Farge – Co-Head of Finance (From 19 December 2022)
Matthew Bright - Communications & Marketing Director (Left 7 April 2022)
Mia Lancaster – Head of Data & Digital (From 1 December 2022)
Paloma Sackman – Head of Customer Engagement & Insights
Thomas Gibson – Head of Digital & Tech Adoption Programmes (Left 31 July 2022)
Sheena McDermott – Head of Leadership & Management Programmes

Bankers

Lloyds Bank
39 Threadneedle Street
London EC2R 8AU

Auditors

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

**THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Introduction

The trustees, who are also the directors of the charity, have pleasure in presenting their report together with the financial statements of The Productivity Group (Be the Business) for the year to 31 March 2023.

The reference and administrative information set out on page 1 forms part of this report. These financial statements comply with current statutory requirements, the charity's memorandum and articles, applicable law and the Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Objectives and activities

Be the Business is an independent, not-for-profit organisation, with a vision of a more productive economy driven by great business leadership.

The charity's objectives have been defined as the following:

"The promotion of industry and commerce in the UK for the public benefit by promoting the productivity of business in order that the UK economy as a whole will benefit through improved business sustainability, employment security, job satisfaction and standards of living."

In the wake of persistent strong economic headwinds. Recent research shows that the average worker would be £11,000 per annum better off had the UK continued its pre-2008 productivity trend¹. In this context, Be the Business's mission has never been more important. By improving the performance of small business leaders, we improve the UK's position overall, and everyone benefits.

To achieve these objectives, Be the Business focuses on two key drivers of productivity:

- Improved leadership and management skills
- Successful technology adoption

By helping small business leaders in these areas – and others – we can create real, recognisable results for businesses and workers alike. However, productivity must be at the heart of every decision and action within the business sphere for these goals to be met.

Be the Business inspires leadership teams to create and deliver sustainable business change and greater productivity.

We connect business leaders to curated expertise through:

- Connections to like-minded peers navigating similar challenges
- The inspiring corporate partner expertise found in our programmes
- Our own research, insights, events and tools
- Exposure to influential policymakers and localised support

We believe by bringing together companies big and small we collectively raise the ambition and performance of businesses, which in turn contributes to higher standards of living across the UK

Achievements and performance

In the six years since Be the Business was founded, the organisation has grown and evolved to achieve its mission of improving productivity across the UK, namely by boosting the productivity levels of the country's five million small- and medium-sized businesses. At the advent of 2022, the UK was still reeling from the effects of the COVID-19 pandemic, and further economic challenges have shaken the business sphere in the financial

¹ <https://www.resolutionfoundation.org/app/uploads/2023/03/Wages-are-flatlining.pdf>

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year of 2022/2023, including the increased cost of materials and energy, labour market challenges, high inflation and increased interest rates and the cost-of-living crisis..

Movement building and campaigns

Since inception, Be the Business has engaged thousands of SMEs in improvement activities, including our programmes, digital offerings, and events. By the end of 2022/23:

- We estimate, based on our evaluation models, that there was an aggregate £463m² productivity uplift for businesses that participated in Be the Business interventions.
- 5,137 individuals from firms across different sectors and regions participated in one of our face-to-face leadership and management programmes.
- Over 1.6m unique users visited our website to access information about business support as well as tools and guides to help business leaders.

Our partnerships

Central to Be the Business' philosophy is that the solutions to the productivity puzzle lie with the business community. Partnership working is an essential part of our model, allowing us to leverage skills, experience, and connections with both large and small businesses to reach and impact as many as possible. Partners work with us to deliver productivity-boosting interventions and, in return, benefit from getting closer to and supporting UK SMEs.

In 2022, Be the Business worked with a range of partners from across the country to expand our knowledge, increase our impact and reach more businesses. We continued our long-term partnership with Lloyds Banking Group for the third year, generating further GVA impact for SMEs across the country. We expanded our work with BAE Systems, with further volunteers acting as mentors to bring the total number of businesses they have supported to nearly 200. Our work with the Construction Productivity Taskforce saw us initiate groundbreaking initiatives to better understand how to improve productivity on construction sites.

Be the Business partnered with Mastercard Impact Fund, with support from Mastercard's Center for Inclusive Growth, on their Strive programme, alongside Mastercard UK, Enterprise Nation and Digital Boost. Through Strive, we are working to empower Black, Asian and other ethnic minority leaders from micro and small businesses around the country to succeed.

In 2022, Be the Business published the partnership highlights of the ongoing collaboration with Meta. Having first collaborated in 2020 as a response to the coronavirus pandemic, Be the Business has now strengthened its ties with Meta to deliver a range of productivity-enhancing support to SMEs throughout the UK. By working together, Be the Business and Meta have engaged over 650,000 business leaders with transformational business resources, provided expert mentors for Be the Business' flagship mentoring programme and delivered an effective digital adoption campaign. Similarly, Meta have benefited from Be the Business' frontline knowledge of SMEs, which has provided insights and opportunities to engage with this ecosystem.

Tapping into Amazon's outstanding knowledge in the digital and technology space, we collaborated with Amazon Small Business Accelerator to provide a new form of intervention for small business leaders - Digital Incites. Taking the form of three 75-minute sessions on a range of technology topics, business leaders heard from an expert before engaging in peer-to-peer discussions. The pilot sessions revealed both challenges and opportunities for greater technology adoption to boost business productivity.

² 1 The productivity uplift figures are calculated using our evaluation data, firm level data, and evidence from the impact of similar programmes. Our approach accounts for both deadweight and displacement and was designed in collaboration with Department for Business and Trade analysts.

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Our campaigns

In the past 12 months, we have continued to engage with our two central audiences: small business leaders and corporate organisations.

The Customer Insights & Engagement Team was formed in June 2022, and they focus predominantly on driving both recruitment of and engagement with the leaders of small businesses. The team has rapidly mobilised since establishment to put in place the strategy and resources needed to make this happen, built around the Business Insights Flywheel, which is core to our wider organisational strategy.

Our campaigns included several different lines of inquiry and we worked with media partners for the first time.

Activity was triple-pronged: earned (research-led press releases and spokesperson op-ed); owned/shared (radio feature); and paid (media partnerships). Social advertising spanned all three approaches.

Media partners

- **Business Live:** the initial partnership included: an advertorial pinned to the enterprise homepage; sponsorship of the Enterprise section for the duration of the campaign; display ads; LinkedIn Live webinar; and a LinkedIn advertising campaign
- **Management Today:** the initial partnership included: an advertorial in the newsletter bulletin; double MPU banner campaign; longer form feature on the Management Today website

Anthony Impey Sales Navigator

Utilising Anthony's LinkedIn account, we activated a Sales Navigator campaign directed at onboarding further participants onto the Boards programme. The campaign consisted of two messages, the first asking if the recipient was interested in finding out more about the programme, and the second offering additional information and access to an expression of interest form.

Inspiring Greater Productivity

Drawing upon the numerous case studies we already host on our website we created a pocket-sized book of inspirational stories. These books were then sent to small business leaders across the country with an accompanying letter and QR code that introduced Be the Business and encouraged interaction.

100 Small Businesses

In 2023, Anthony Impey has pledged to meet 100 small business leaders from across the UK in order to hear voices from the frontline of the community. So far this year, Anthony has met with business leaders in Birmingham, Liverpool, Cumbria, and Suffolk, including programme participants and Be the Business Ambassadors. At each meeting, we have been able to capture first-hand stories of the challenges facing small businesses, translating this into LinkedIn posts, op-eds, and forewords.

Our newsletters

We currently have four newsletters, each targeting a specific audience within the Be the Business community:

- The Bolt, our fortnightly SME-focused newsletter
- Insights, our monthly corporate-focused newsletter
- Striving Forward, our monthly newsletter for Strive UK participants
- Inspiring Leaders, our monthly newsletter for board members and mentors

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Events

With lockdown restrictions now eased, we have focused on incorporating more in-person events back into our calendar. However, due to the nature of working from home and our country-wide community, we have also utilised virtual options.

Roundtable with James Murray MP and Be the Business Ambassadors – August 2022

The roundtable provided an opportunity for small businesses, selected from Be the Business' ambassadors, to give an honest assessment of the challenges they are facing as they seek to try and recover, what their choices now are, and how the business support system and politicians can help them secure more impactful support over the coming months.

Insights Live series – launched September 2022 and ongoing

Insights Live is a virtual series that offers members of the Be the Business community – both SME and corporate – the chance to hear more about the latest information gathered by Be the Business. The sessions are an hour long, and incorporate a presentation followed by a Q&A. So far on Insights Live, we have presented the findings from two editions of our PBI, the latest evaluation of our Be the Business Mentoring programme and hosted a conversation with Michelle Ovens CBE, CEO of Small Business Britain.

Productive Business Index Edition 5 Roundtables – October 2022

In a preview of the findings of Edition 5 of the Productive Business Index, Be the Business hosted two sessions for valued corporate partners. The sessions involved a deep dive into the statistics gathered, and was followed by a Q&A.

Meta Good Ideas Studio Roadshow in Birmingham, Edinburgh and Manchester – October/November 2022

We collaborated with Meta Boost and the Good Ideas Studios for their in-person events in Birmingham, Edinburgh and Manchester. At the Birmingham event, held at the end of October, we shared our innovation insights for small businesses, and offered support for business leaders via our free support programmes. Alongside the event, we also co-hosted a roundtable discussion with Saqib Bhatti, MP for Meriden and chair of the APPG for Small and Micro Business. The roundtable discussed the challenges small business leaders face and the role of policymakers in championing digital transformation and growth.

Be the Business Virtual Ambassador Breakfast with Sarah Olney MP – February 2023

Sarah Olney, Liberal Democrat Spokesperson for Treasury and Business and Industrial Strategy and MP for Richmond Park, joined our monthly Ambassador Breakfast to hear about the challenges facing small business leaders and to gather business feedback to inform government support, programmes and potential policies targeted at SMEs

Labour Party Breakfast – March 2023

Anthony Impey and Sir Charlie Mayfield met with Labour MPs James Murray and Bill Esterson to discuss the importance of placing productivity at the top of the political agenda. Joined by a select group of Be the Business Ambassadors and long-standing Be the Business supporters, including Nigel Webb (British Land), Jaimie Johnston (Bryden Wood) and David Halpern (The Behavioural Insights Team), the meeting also focused on the necessity of collaboration between corporates, government, and small businesses to unlock new opportunities for success.

Magic of Mentoring – March 2023

Be the Business hosted our very first Magic of Mentoring dinner at the end of March to celebrate the achievements of the female business leaders who work with us. At present, 55 per cent of advisors sitting on our Be the Business Boards are women, 15 per cent above FTSE 100 board members. Internationally recognised leadership coach, Julie Starr, gave attendees a mentoring masterclass, before Farrah Storr,

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previous Editor-in-Chief of Women's Health UK, Cosmopolitan UK and Elle UK, provided an inspirational dinner speech.

Programmes and pilots

Our programmes continue to receive very positive feedback from participants.

Be the Business Mentoring

Our flagship programme, Be the Business Mentoring, has been carefully pairing business leaders with experienced and committed senior executives from the UK's most successful companies since 2018. This programme is available in two formats: the 12-week programme is designed for business leaders who need immediate support; whereas the 12-month programme is for business leaders seeking long-term development. This allows us to support a wider range of business leaders, regardless of needs.

Evaluation of Be the Business' Mentoring programmes in March 2023 found that:

- 73% of mentees improved their knowledge and skills due to mentoring
 - A further 8% expect such outcomes in the future
- 73% gained a greater confidence in their management and leadership abilities
- 50% achieved both of these outcomes
- 57% of mentees reported improvements in productivity
- 60% of mentees reported positive effects of the programme on business performance. The two most common combinations of business performance outcomes:
 - Increased employment and turnover (22%)
 - Increased turnover and R&D investment (17%)
- Most common reasons for participating in the programme include:
 - 55% for personal development, including management and leadership skills
 - 43% sought after an external sounding board
 - 34% wanted to accelerate growth
 - 15% wanted to increased productivity

Be the Business Boards

Our Be the Business Boards programme pairs a small business leader with their own non-executive director-style board. This offers each business an individually built experience that utilises the unique and varied skills of every Board member. The 12-month format means that Boards meet four times a year, allowing the business leader time to act on the advice given during their 90-minute online sessions.

It is too early to have a full evaluation of our Be the Business Boards programme, but mid-programme monitoring data gives us an insight into participants' experiences to date:

- Over 95% of both advisees and advisors are either satisfied or very satisfied with the programme
- Over 80% of advisees agree that the Boards are providing a level of technical or emotional support that they previously didn't have
- Two thirds of advisees think that the Boards are providing them with an experience that no other organisation provides (to the best of their knowledge)
- Individual leaders start to see effects after their second meeting, with 50 per cent feeling more knowledgeable and confident in how to protect or improve their business performance
- Around 50% also feel better able to tackle any problems the business may face
- 80% of business leaders have made at least one change to their business and a further 15% plan to make a change within the next two years
- 83% say they have achieved at least one thing personally from the programme

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To cope with the high demands for our programmes, we have now hired a series of administrators to assist the Leadership & Management Team with the organisation and logistics of creating Board panels, arranging meetings and following up.

Spark Sessions

Spark Sessions connect business leaders and senior decision makers with the curated business expertise required to overcome today's biggest business challenges. Over the course of three, 75-minute weekly online sessions, attendees learn the knowledge, confidence and motivation needed to turn obstacles into opportunities. So far, the sessions have focused on three central areas: leadership; finance; and sales.

Digital Incites

Amazon Small Business Accelerator and Be the Business partnered to understand more about the barriers to successful adoption for SMEs and identify measures that support higher levels of success. Together, we recently ran Digital Incites, a programme to support small business leaders in this area. Business leaders attended three short sessions with a leading technology expert, followed by a facilitated discussion among programme participants.

Power Up

Our Power Up programme was developed to support small business owners from underrepresented backgrounds with free access to expert advice on the best digital tools and processes for their business. This programme ran from October 2021 to June 2022. It was supported by the Good Things Foundation, JP Morgan Chase & Co, Skills Enterprise, Hackney Co-operative Developments, Gateway Multiservice Consultancy, Sage and Shopify

Evaluation, Research and Insights

In 2022/23, we continued to undertake and publish research as we aimed to further cement our reputation as productivity experts. Some work, in particular reports created in conjunction with the Productivity Construction Taskforce, was created and circulated in collaboration with our corporate partners. During those 12 months, we published:

- **Productive Business Index (PBI):**
 - The PBI is a major research programme to measure and track changes in UK micro and SME business performance and capabilities over time. Working in partnership with Oxford Economics, we have developed a bespoke index model to track how the major investments of time and resources that have been made by SMEs change behaviour, performance and productivity.
 - **Key findings for Edition 4 – published Q1 2022:**
 - The headline Productive Business Index has increased two points from 119 in Q3 2021 to 121 in Q1 2022
 - A clear, rising trend in businesses taking action to improve productivity
 - Businesses are moving out of crisis mode and focusing on operational efficiency and the future
 - **Key findings for Edition 5 – published Q3 2022:**
 - The headline Productive Business Index has decreased by six points from 121 in Q1 2022 to 115 in Q3, a 6-point fall
 - The Business Performance Index has fallen from 112 to 109
 - The Business Capabilities Index has significantly decreased, down a notable 8 points from 129 to 121
 - Business leaders are less confident in their capabilities, but fighting to improve productivity levels
 - **Key findings for Edition 6 – published Q1 2023:**

- The headline Productive Business Index has decreased 1.2 points compared to the fifth edition
 - A 10-point drop in the PBI year-on-year which is largely driven by a weakening in capabilities
 - An 18-point drop in the Business Capabilities Index, which is dictated by activity or investment over the last 12 months and intended activity or investment over the next 12 months compared to a year ago
 - 43% of business leaders are worried about the overall economic climate
 - 61% of hybrid businesses have a 2-5 year strategic plan, 8% more than businesses mainly operating from an office and 13% more than those mostly working from home
 - 56% of leaders who regularly receive advice have a 2-5 year strategic plan compared with just 45% of those who don't seek advice
- **Ambitions Beyond Growth: Responding to the diversifying needs of the UK's SME population – published Q1 2022:**
 - One in three (32%) UK SME leaders do not want to increase the turnover of their business, however, 82% of those who do not want to grow are always looking to improve their business.
 - This equates to 480,000 businesses being led by people motivated by something besides growth.
 - It's also clear that not wanting to grow turnover does not equate to a lack of ambition, and in fact most of these business leaders have strong ideas about the areas of their business they want to improve.
 - What's more, improvements in these areas are likely to have positive impacts on productivity, society and even the environment.
 - The five biggest ambitions for these business leaders are:
 - Resilience
 - Work/life balance
 - Improving profitability
 - Employee wellbeing
 - Sustainability
- **Triggering Change: Trigger events and their role in encouraging business leaders to seek business support – published Q2 2022:**
 - This paper sets out the types of trigger events that businesses are most likely to encounter and suggests four broad categories based on when leaders are likely to experience them:
 - Ambition – triggers created by the internal growth ambition of the business leader or a growth mindset
 - Competition – triggers caused by competitive pressures around the business
 - Lifecycle – triggers naturally occurring as part of the day-to-day process of running a business
 - External – unforeseen and unexpected triggers caused by external events
 - Trigger events across these categories can result in changes to the business operations of small- and medium-sized businesses:
 - Moreover, in recent years, seismic external events like Brexit and the Covid-19 pandemic have resulted in a domino effect of smaller triggers impacting businesses in a variety of ways
 - In addition to exploring the types of trigger events experienced by businesses, we researched the type of behaviours and business changes that are likely to be initiated as a result. Changes are likely to take place in the areas of:
 - Training, development and HR
 - Capital investment
 - Technology adoption

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- Sales and marketing
- Leadership and management
- **Measuring Construction Site Productivity: A seven-step framework for success – published Q2 2022:**
 - The first in a series of publications expected from the Productivity Construction Taskforce, this framework was produced to help businesses within the sector collect the relevant data and measure productivity, in order to increase efficiency and improve performance on sites. This framework has been designed to support the work of all major contributors to the construction industry, including clients, contractors, designers and those within the supply chain
- **Trust and Productivity: The private sector construction playbook – published Q3 2022:**
 - Trust and Productivity was developed by the Construction Productivity Taskforce on behalf of the UK construction industry. It builds on the work of the Government Construction Playbook published in December 2020. It encourages clients and their construction and design teams to work in a more collaborative way to boost productivity, quality and value and in doing so reduce carbon emissions and improve the health, safety and wellbeing of the work force.

During the financial year 2022/23, we also published our first-ever Annual Report and a series of impact reports focusing on the highlights of our partnerships with Lloyds Banking Group and Meta.

Financial review

In the year ended 31 March 2023 the Group recognised £4.8 million of Government grant income and £6.4 million of private income of which £4.9 million was pro-bono in kind support, bringing the total recognised pro-bono value over five years to £22.7 million.

The commercial subsidiary had income of £0.4 million and all taxable profits are gifted to the charity under deed of donation. We expect activity through the subsidiary to grow in coming years.

Structure, governance and management

The Productivity Group is an independent registered charity (charity no. 1173660) and a company limited by guarantee (incorporated on 4 May 2017 and registered in England and Wales, no. 10754958). The charity is governed by the Articles of Association dated 30 June 2017. Appointment of trustees is independent of any third parties and is solely decided upon by a vote of the existing trustees.

The trustees of Be the Business during the year to 31 March 2023 were:

- Tera Allas
- Jeremy Anderson
- Sir Charlie Mayfield
- Hosein Khajeh-Hosseiny

The charity has a wholly owned commercial subsidiary - The Productivity Group (Commercial) Limited (Company number: 10894488).

The trustees meet formally on a quarterly basis to review progress to date and approve our strategy.

Remuneration

Trustees are responsible for approving the pay and remuneration of key management personnel and agreeing annual staff pay increases, taking external benchmarking advice to inform their decisions. Our salaries are benchmarked against similar roles in comparable charities, private sector businesses and other relevant organisations and they reflect the knowledge, skills, responsibilities and attributes required for the performance of each position.

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Be the Business is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, socio-economic background, pregnancy/maternity, sexual orientation, gender reassignment or disability.

Induction and training of Trustees

To equip new trustees with the information they need to perform their role effectively, they receive detailed information on their duties and responsibilities under Charity Law and follow a structured induction programme consisting of meetings with the senior management team and other key stakeholders. Trustees also undergo regular training as required.

How the charity makes decisions

Key strategic decisions are made by the trustees and are then delegated to the Senior Leadership Team for implementation.

Fundraising approach

Be the Business operates a split funding model, made up of government and non-government grants, and contributions from commercial organisations (both of a financial nature and 'in-kind' pro-bono support). The fundraising focus in 2022/23 has been building a pipeline of private sector income. Be the Business does not fundraise directly from members of the public.

Reserves Policy

The Trustees have established a reserves policy in order to protect the organisation and its programmes from the risk of disruption at short notice due to a lack of funds, whilst ensuring that it does not retain income for longer than required. Given there are also restrictions on the use of government funds for certain types of expenditure, it is necessary for reserves to be built up to a level which will ensure that all liabilities can be met.

In establishing the reserves policy, the Trustees have taken into account the following factors:

- The level of dependency on government funds, restrictions upon their use and the agreed notice periods related to changes in funding levels.
- The pipeline of non-governmental funding sources and level of risk associated with each one.
- The current level of reserves and level of committed costs (in both the normal course of operation and those that would be triggered in the event of a significant change in government funding).
- Current and future levels of activity and related expenditure, together with the associated risks around each one.
- The business plan and financial forecasts.

Due to the requirements of our grant agreement with the Department of Business, Energy and Industrial Strategy (BEIS, renamed the Department of Business and Trade as at 7th February 2023), no Government funds may be used to generate unrestricted reserves. However, the Trustees have determined that a target of £550k in unrestricted reserves is desirable for 2022/23 to mitigate any potential risks. Unrestricted reserves at 31 March 2023 were above target at £1,917k, decreased from £2,046k in the prior year, which trustees have confirmed is appropriate given budget and investment needs for the years ahead. The level of reserves has been reviewed in September 2023, again taking into account factors listed above.

As at 31 March 2023 the charity also holds £2,017k in restricted funds (2022: £1,601k), which are to be used for specific purposes, as defined by funders.

Risk Management

Be the Business considers good risk management to be a key part of its operational requirements. As such, consideration is given to areas of activity where stakeholders or the reputation of the organisation are potentially vulnerable to adverse actions that could affect:

- operational performance
- achievement of aims and objectives; or

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- the meeting of stakeholders' expectations.

In formulating the view of risk, the trustees have specifically considered the following:

- a) *Strategic Management* - The strategy used when defining risk is the action taken to give effect to long-term plans and objectives.
- b) *Talent* – The dependency on key members of staff.
- c) *Safety* - The physical safety and health of our staff and stakeholders.
- d) *Legislative* – Both compliance with current laws and EU regulations and ensuring continued compliance with changes to such legislation.
- e) *Grant Agreements* – Compliance with the terms of the BEIS grant letter is key to ensure continued funding.
- f) *Financial* - The economic and financial effect of each project should be taken into account in planning, monitoring and managing it, along with the overall management of funds.

To manage these risks, a register is maintained and reported to the Trustees and BEIS on an ongoing basis. Periodic monitoring also ensures that systems and procedures are being followed and that new risks are addressed and identified as they arise.

Future Plans and Going Concern

Be the Business was set up to be a movement by business, for business and we intend to continue to meet that ambition with a growth in our funding from non-government sources. We have established a proven model for working with commercial partners to improve our collective understanding of the productivity challenge and to provide high impact intervention for customers of corporate partners. This forms a core part of our strategy not only as a mechanism to power further impact, but also to diversify our income sources and build long-term resilience and sustainability for the organisation.

Over the coming year we will continue to scale our existing programmes, working with a range of commercial and delivery partners. We will also continue to approach FTSE 100 CEOs as well as leading entrepreneurs and philanthropists in the coming months, asking them to join the movement and bring their leadership, innovation and resources to the table.

Given the preparatory work which has taken place over the last six years, the initiatives that are currently in progress and the level of funding already committed by our commercial partners, the Trustees are confident that the Be the Business movement is in a strong position to have a positive impact on the productivity of UK businesses, and indeed the wider UK economy in the years to come.

Trustees have undertaken a review of our financial position, funding discussions, reserves levels and future plans. Based on this review, Trustees have confidence that the charity remains a going concern for the foreseeable future with positive cashflow and reserves forecast for at least twelve months from the date of signing the accounts.

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Statement of Trustees' Responsibilities

The trustees (who are also directors of The Productivity Group for the purposes of Company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

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

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

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

In so far as each of the trustees are aware at the time the report is approved:

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

Approved by the Board on 04/10/2023

and signed on its behalf by:



Sir Charlie Mayfield
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE PRODUCTIVITY GROUP

Opinion

We have audited the financial statements of The Productivity Group for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the group and parent charitable company's Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's and parent charitable company's net movement in funds, including the 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the reporting requirements of the Department for Business, Energy & Industrial Strategy (BEIS), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Charities SORP (2019), Companies Act 2006 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks are related to the valuation of pro bono services and the recognition of grant income. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE PRODUCTIVITY GROUP

- Reviewing the controls and procedures of the charity, particularly in relation to the recording of income and processing of payments and payroll, to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing and testing journal entries made in the year, particularly those made as part of the year end financial reporting process; and
- Challenging assumptions and judgements made by management in their critical accounting estimate being the recognition and valuation of pro bono services.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Thomas Wilson (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 06/10/23

THE PRODUCTIVITY GROUP (Be the Business)
GROUP STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income and endowments from:					
Donations and pro-bono support	2	50,675	4,858,859	4,909,534	5,968,907
Charitable activities:					
BEIS Grant		-	4,841,251	4,841,251	4,930,042
Other		15,355	868,431	883,786	1,667,278
Other Trading Income	3	575,342	-	575,342	688,975
Total Income		641,372	10,568,541	11,209,913	13,255,202
Expenditure on:					
Charitable activities		770,338	10,152,365	10,922,703	11,628,515
Total Expenditure	4	770,338	10,152,365	10,922,703	11,628,515
Net (Expenditure)/ Income	7	(128,966)	416,176	287,210	1,626,687
Net Movement in funds		(128,966)	416,176	287,210	1,626,687
Reconciliation of funds					
Total funds brought forward		2,045,978	1,600,843	3,646,821	2,020,134
Total funds carried forward	13	1,917,012	2,017,019	3,934,031	3,646,821

The company has taken the exemption allowed by section 408 of the Companies Act 2006, not to prepare a company only statement of financial activities.

All the above results are derived from continuing activities. There are no recognised gains or losses other than those stated above. The net income for the charity for the year was £287,210 (2022: net income of £1,626,687). Full comparative figures for the year ended 31 March 2022 are shown in note 19.

The notes on pages 20 to 28 form part of these financial statements.

THE PRODUCTIVITY GROUP (Be the Business)
GROUP BALANCE SHEET
AS AT 31 MARCH 2023

Company number 10754958

	Notes	2023 £	2022 £
Fixed Assets	16	45,483	21,717
Total Fixed Assets		45,483	21,717
Current Assets			
Debtors – amounts falling due after more than one year	11	-	301,750
Debtors – amounts falling due within one year	11	1,406,134	868,747
Cash at Bank		3,610,132	3,560,303
Total Current Assets		5,016,266	4,730,800
Liabilities			
Creditors: amounts falling due within one year	12	(1,127,718)	(1,105,696)
Net Current Assets		3,888,548	3,625,104
Total Assets less current liabilities		3,934,031	3,646,821
Total Net Assets		3,934,031	3,646,821
The funds of the charity:			
Unrestricted funds		1,917,012	2,045,978
Restricted funds		2,017,019	1,600,843
Total Group Funds		3,934,031	3,646,821

The notes on pages 20 to 28 form part of these financial statements.

The accounts were approved by the Trustees on 04/10/2023

and signed on their behalf

by:



.....
 Sir Charlie Mayfield
 Chair

THE PRODUCTIVITY GROUP (Be the Business)
CHARITY BALANCE SHEET
AS AT 31 MARCH 2023

Company number 10754958

	Notes	2023 £	2022 £
Fixed Assets	16	45,483	21,717
Total Fixed Assets		45,483	21,717
Current Assets			
Debtors – amounts falling due after more than one year	11	-	301,750
Debtors – amounts falling due within one year	11	1,760,113	1,334,282
Cash at Bank		2,972,444	3,027,584
Total Current Assets		4,732,557	4,663,616
Liabilities			
Creditors: amounts falling due within one year	12	(844,009)	(1,038,512)
Net Current Assets		3,888,548	3,625,104
Total Assets less current liabilities		3,934,031	3,646,821
Total Net Assets		3,934,031	3,646,821
The funds of the charity:			
Unrestricted funds		1,917,012	2,045,978
Restricted funds		2,017,019	1,600,843
Total Group Funds		3,934,031	3,646,821

The notes on pages 20 to 28 form part of these financial statements.

The accounts were approved by the Trustees on 04/10/2023 and signed on their behalf by:



.....
 Sir Charlie Mayfield
 Chair

THE PRODUCTIVITY GROUP (Be the Business)
GROUP STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Cash flows from operating activities	A	88,117	1,108,867
Cash flows from investing activities			
Net purchase of tangible fixed assets		(38,288)	(14,207)
Change in cash and cash equivalents in the period	B	49,829	1,094,660
Cash and cash equivalents at the beginning of the period		3,560,303	2,465,643
Cash and cash equivalents at the end of the period		3,610,132	3,560,303

A. Reconciliation of net income to net cash flow from operating activities	2023	2022
	£	£
Net Income	287,210	1,626,687
(Increase)/decrease in debtors	(235,637)	(528,662)
Increase/(decrease) in creditors	22,022	(1,754)
Depreciation of fixed assets	14,522	12,596
Net Cash provided by operating activities	88,117	1,108,867

B. Analysis of changes in net cash funds	At 1 April 2022 £	Cashflows £	At 31 March 2023 £
Cash in hand	3,560,303	49,829	3,610,132
Total cash and cash equivalents	3,560,303	49,829	3,610,132

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019) applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102. The charity has one subsidiary company, The Productivity Group (Commercial) Limited, registered in England and Wales under company number 10894488. The group accounts include the results of the subsidiary, consolidated on a line by line basis.

General Information

The Productivity Group, trading as Be the Business, was incorporated in England and Wales on 4 May 2017 as a charitable company limited by guarantee (company number 10754958 and a charity registered in England and Wales (charity number 1173660). The registered office address is 10 Queen Street Place, London, England, EC4R 1AG and the charity operates from its principal address at 26-28 Glasshouse Yard, London EC1A 4JU.

Preparation of accounts on a going concern basis

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. Operations have continued successfully through 2023, to the date of signing these accounts, and the review of our financial position, funding discussions, reserves levels and future plans, Trustees have confidence that the charity remains a going concern for the foreseeable future.

Significant judgements and sources of estimation uncertainty

In preparing the financial statements management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies. The trustees consider that the key area of judgement in the accounts is the valuation of pro-bono support.

Pro-bono support is valued at the lower of the value of the donation to the charity and fair value and is recognised on receipt of the support. We are fortunate to receive a wide range of pro-bono support from a large number of sources which is valued on a prudent basis using appropriate estimation techniques. The rate card developed by management for recurring pro bono support is reviewed every six months to test that the valuation assumptions remain appropriate. Material categories of support and the basis for valuation are as follows:

- Programmatic support – includes mentors, advisory board members, sector Steering Group members and others who give their time to facilitate our programmes with SME leaders for free. The support is valued using meeting attendance records or surveys conducted to establish average time commitments, with hourly rates calculated by reference to market rates for the type of support being provided.
- Movement building and campaign support – includes: promotional activity by our partners to help our content and events reach as many SME leaders as possible, including delivery of webinars on the charity's behalf (valued with reference to the size of audience reached and media rate cards); Be the Business Fellows' time, being senior business leaders who work with us to promote the productivity movement and build stakeholder networks (valued based on time sheets and hourly rate for the type of support being provided); pro bono agency support and ad credits (valued based on rates paid by the charity for comparable services).
- Consultancy to support our thought leadership research and programmatic development, valued based on charitable rate cards of the relevant consultancies gifting their time.
- Secondments of staff roles are valued based on the price paid by the charity for comparable roles.
- Office space is valued with reference to market rates taking into account the nature of the organisation, the number of desks and facilities provided.

1. ACCOUNTING POLICIES (continued)

Funds structure

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Designated funds are unrestricted funds earmarked by the Trustees for particular activities or purposes. Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or funder.

Income

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered.

Tangible Fixed Asset and Depreciation

All assets costing more than £500 are capitalised. Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their useful lives.

Computer Equipment 33.3% straight line.

Debtors

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

Creditors

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

Pensions

The charity operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of charity in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the period.

Employee short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the period end rate of exchange. Transactions denominated in foreign currencies are translated at the rates prevailing at the transaction date.

Financial instruments

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

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. DONATIONS & PRO-BONO SUPPORT		2023	2022			
		£	£			
Donations		50,675	847,000			
Programmatic Support		4,435,215	4,111,480			
Movement building and campaigns		23,897	584,015			
Consultancy		4,827	5,400			
Secondments		-	22,917			
Office space		390,000	390,000			
Other pro-bono		4,920	8,095			
Total pro-bono		4,858,859	5,121,907			
Total donations & pro-bono support		4,909,534	5,968,907			
3. OTHER TRADING INCOME		2023	2022			
		£	£			
Sponsorship income		-	155,000			
Primary purpose trading		111,875	85,625			
Commercial trading		463,467	466,850			
Other income		-	1,500			
Total other income		575,342	688,975			
4. ANALYSIS OF EXPENDITURE 2023		Staff costs	Direct costs	Support costs	Total 2023	Total 2022
		£	£	£	£	£
Movement building and Campaigns	1,023,521	1,345,618	276,495	2,645,634	2,785,985	
Programmes and Pilots	866,341	5,051,889	284,035	6,202,265	6,045,884	
Evaluation Research and Insights	420,616	341,797	60,326	822,739	1,206,828	
Digital tools	688,428	387,686	175,951	1,252,065	1,589,818	
Total expenditure	2,998,906	7,126,990	796,807	10,922,703	11,628,515	
ANALYSIS OF EXPENDITURE 2022		Staff costs	Direct costs	Support costs	Total 2022	Total 2021
		£	£	£	£	£
Movement building and Campaigns	872,700	1,622,919	290,366	2,785,985	5,581,402	
Programmes and Pilots	863,555	4,878,765	303,564	6,045,884	8,370,441	
Evaluation Research and Insights	491,359	616,481	98,988	1,206,828	1,777,043	
Digital tools	663,944	750,995	174,879	1,589,818	2,125,583	
Total expenditure	2,891,558	7,869,160	867,797	11,628,515	17,854,469	

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. SUPPORT COSTS	2023	2022
	£	£
Staff related costs	56,775	56,790
Pro Bono Consultancy		-
Consultancy	96,061	128,771
Rent (Office Space – Pro Bono)	390,000	390,000
IT support	55,185	53,361
Professional fees	45,924	45,016
Audit and accountancy	35,251	33,238
Travel	12,829	13,595
Telephones	8,575	10,428
Human resources	23,111	6,134
Printing	548	349
Insurance	25,053	8,311
Bank charges and interest	844	1,751
Depreciation	14,522	12,596
General expenses	2,841	6,332
Realised currency gains	(94,709)	(19,261)
Irrecoverable VAT	64,814	29,706
Partnership Costs	28,813	9,313
Data Strategy & Systems	30,370	81,367
	<u>796,807</u>	<u>867,797</u>
6. GOVERNANCE COSTS (included above)	2023	2022
	£	£
Audit fees	21,000	17,800
	<u>21,000</u>	<u>17,800</u>
7. NET INCOME / EXPENDITURE	2023	2022
	£	£
Net income is stated after charging:		
Auditors' remuneration		
Audit services	21,000	18,160
Other services	9,744	6,458
Depreciation	14,522	12,596
8. STAFF COSTS AND NUMBERS	2023	2022
	£	£
Salaries and wages	2,479,039	2,407,624
Social security costs	283,468	250,604
Pension costs	229,205	233,329
Secondment and consultancy fees	120,232	176,810
Other staff costs	31,700	10,981
	<u>3,143,644</u>	<u>3,079,348</u>

Included in other staff costs are payments made on termination of £15,347 (2022: £2,448).

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
Average staff numbers (including secondees):		
Movement building and Campaigns	9.2	7.3
Programmes and Pilots	9.4	7.7
Evaluation Research and Insights	2.0	2.5
Digital tools	5.8	4.4
Partnerships	4.6	4.0
Administration staff (including core senior leadership team)	8.2	9.8
	<u>39.3</u>	<u>35.7</u>

Number of employees whose emoluments in the period were:

	2023	2022
£60,000 - £69,999	1	7
£70,000 - £79,999	4	6
£80,000 - £89,999	7	-
£90,000 - £99,999	1	1
£110,000 - £119,999	-	2
£120,000 - £129,999	-	-
£140,000 - £149,999	-	-
£260,000 - £269,999	-	1
£270,000 - £279,999	1	-

Total remuneration of the key management personnel of the charity was £1,099,184 (2022: £976,168).

9. TRUSTEES

No trustees received remuneration from the charity for their services (2022: none). No expenses were reimbursed to trustees in the period. (2022: none)

10. TAXATION

The charity is exempt from corporation tax as all its income is applied for charitable purposes. The charity's trading subsidiary donates to the charity an amount equal to any taxable profits under Gift Aid. Consequently there is no taxation charge for the year (2022: £nil).

11. DEBTORS

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Prepayments	162,188	103,496	161,794	103,082
Debtors	107,373	55,350	10,563	42,750
Amounts owed by group undertakings	-	-	451,183	478,549
Accrued income	1,136,573	1,011,651	1,136,573	1,011,651
	<u>1,406,134</u>	<u>1,170,497</u>	<u>1,760,113</u>	<u>1,636,032</u>

Accrued income of £nil (2022 - £301,750) in both group and charity is due after more than one year.

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade Creditors	491,860	615,699	487,360	615,699
Sundry Creditors	27,276	45,772	13,592	33,416
Deferred income	255,000	155,625	-	106,875
Accruals	353,582	288,600	343,057	282,522
	<u>1,127,718</u>	<u>1,105,696</u>	<u>844,009</u>	<u>1,038,512</u>

13a. ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP AND CHARITY 2023

	Unrestricted funds	Restricted funds	Total 2023
	£	£	£
Fixed Assets	43,721	1,762	45,483
Current Assets	2,236,700	2,779,566	5,016,266
Creditors: amounts falling due within one year	(363,409)	(764,309)	(1,127,718)
Net assets	<u>1,917,012</u>	<u>2,017,019</u>	<u>3,934,031</u>

13b. ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP AND CHARITY 2022

	Unrestricted funds	Restricted funds	Total 2022
	£	£	£
Fixed Assets	8,591	13,126	21,717
Current Assets	2,308,991	2,421,809	4,730,800
Creditors: amounts falling due within one year	(271,604)	(834,092)	(1,105,696)
Net assets	<u>2,045,978</u>	<u>1,600,843</u>	<u>3,646,821</u>

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. NET MOVEMENT IN FUNDS – GROUP 2023

	At 1 April 2022	Income	Expenditure	At 31 March 2023
	£	£	£	£
<u>Restricted funds</u>				
BEIS	122,204	4,841,251	(4,685,967)	277,488
Productivity through People	50,000	-	-	50,000
Good Things Foundation	68,959	-	(68,959)	-
Mastercard Impact Fund	1,359,680	-	(418,033)	941,647
Ufi VocTech Trust	-	50,000	(9,944)	40,056
The University of Bath (Nominet UK)	-	785,794	(81,089)	704,705
Scottish Enterprise	-	32,637	(29,514)	3,123
Other (Pro Bono)	-	4,858,859	(4,858,859)	-
<u>Unrestricted funds</u>				
Charity	2,045,978	176,251	(305,217)	1,917,012
Subsidiary	-	465,121	(465,121)	-
Total funds	3,646,821	11,209,913	(10,922,703)	3,934,031

14b. NET MOVEMENT IN FUNDS – GROUP 2022

	At 1 April 2021	Income	Expenditure	At 31 March 2022
	£	£	£	£
<u>Restricted funds</u>				
BEIS	201,516	4,930,042	(5,009,354)	122,204
Productivity through People	50,000	-	-	50,000
Innovation UK	-	132,849	(132,849)	-
Good Things Foundation	-	113,911	(44,952)	68,959
Mastercard Impact Fund	-	1,420,000	(60,320)	1,359,680
Other (Pro Bono)	-	5,127,907	(5,127,907)	-
<u>Unrestricted funds</u>				
Charity	1,497,049	934,643	(385,714)	2,045,978
Subsidiary	271,569	601,850	(873,419)	-
Total funds	2,020,134	13,255,202	(11,628,515)	3,646,821

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

15a. ET MOVEMENT IN FUNDS – CHARITY 2023

	At 1 April 2022	Income	Expenditure	Gift Aid transfer	At 31 March 2023
	£	£	£	£	£
Restricted funds	1,600,843	10,568,541	(10,152,365)	-	2,017,019
Unrestricted funds	2,045,978	460,594	(770,338)	180,778	1,917,012
Total funds	3,646,821	11,029,135	(10,922,703)	180,778	3,934,031

16. TANGIBLE FIXED ASSETS – CHARITY AND GROUP

	2023 £	2022 £
Cost at 1 April	52,829	38,622
Additions	38,288	14,207
Disposals	-	-
As at 31 March	91,117	52,829
Depreciation at 1 April	31,112	18,516
Charged in year	14,522	12,596
As at 31 March	45,634	31,112
Net book value at 31 March	45,483	21,717

17. TRADING SUBSIDIARY

The charity owns 100% of the share capital of The Productivity Group (Commercial) Limited, company number 10894488, (registered in England and Wales). The results for the year to 31 March 2023 are shown below.

	2023 £	2022 £
Turnover	465,121	601,850
Administrative costs (including intercompany recharge)	(284,343)	(190,204)
Net profit before taxation	180,778	411,646
Net current assets	180,778	411,646

100% of the trading subsidiary's taxable profits of £180,778, (2022: £411,646) are donated to the parent under the existing deed of covenant.

18. RELATED PARTY TRANSACTIONS

There were no related party transactions in 2023 (2022: £nil).

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

19. GROUP STATEMENT OF FINANCIAL ACTIVITIES 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Income and endowments from:				
Donations and legacies	2	847,000	5,121,907	5,968,907
Charitable activities:				
BEIS Grant		-	4,930,042	4,930,042
Other		518	1,666,760	1,667,278
Other Trading Income	3	688,975	-	688,975
Total Income		<u>1,536,493</u>	<u>11,718,709</u>	<u>13,255,202</u>
Expenditure on:				
Raising funds		-	-	-
Charitable activities		<u>1,259,133</u>	<u>10,369,382</u>	<u>11,628,515</u>
Total Expenditure	4	<u>1,259,133</u>	<u>10,369,382</u>	<u>11,628,515</u>
Net Income/(Expenditure)	7	<u>277,360</u>	<u>1,349,327</u>	<u>1,626,687</u>
Net Movement in funds		277,360	1,349,327	1,626,687
Reconciliation of funds				
Total funds brought forward		<u>1,768,618</u>	<u>251,516</u>	<u>2,020,134</u>
Total funds carried forward	13	<u>2,045,978</u>	<u>1,600,843</u>	<u>3,646,821</u>

All the above results are derived from continuing activities. There are no recognised gains or losses other than those stated above.

THE PRODUCTIVITY GROUP

England & Wales - Charity number 1173660

Accounts

THE PRODUCTIVITY GROUP
Trading as Be the Business

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Registered charity number: 1173660
Registered company number: 10754958

AMENDED

These accounts replace the original accounts.
They are now the statutory accounts.
They are prepared as they were at the date of the original accounts.

THE PRODUCTIVITY GROUP (Be the Business)
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FOR THE YEAR ENDED 31 MARCH 2022

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THE PRODUCTIVITY GROUP (Be the Business)
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2022

Company registration number

10754958

Charity registration number

1173660

Registered office

10 Queen Street Place
London EC4R 1AG

Trustees

Tera Allas
Jeremy Anderson
Sir Charlie Mayfield (Chair)
Hosein Khajeh-Hosseiny

Key management personnel

Anthony Impey – Chief Executive
Helen Wright – Chief Financial Officer
Louise Sunderland – Director of Programmes (Left 23 April 2021)
Matthew Bright - Communications & Marketing Director (Left 7 April 2022)
Helen Puddefoot - Director of Strategic Partnerships
Thomas Gibson – Head of Digital & Tech Adoption Programmes (From 1 May 2021, Left 31 July 2022)
Sheena McDermott – Head of Leadership & Management Programmes (maternity cover) (From 1 July 2021)
Paloma Sackman – Head of Leadership & Management Programmes (From 1 May 2021)

Bankers

Lloyds Bank
39 Threadneedle Street
London EC2R 8AU

Auditors

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

**THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Introduction

The trustees, who are also the directors of the charity, have pleasure in presenting their report together with the financial statements of The Productivity Group (Be the Business) for the for the year to 31 March 2022.

The reference and administrative information set out on page 1 forms part of this report. These financial statements comply with current statutory requirements, the charity's memorandum and articles, applicable law and the Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Objectives and activities

Be the Business is an independent, not-for-profit organisation, with a vision of a more productive economy driven by great business leadership.

The charity's objectives have been defined as the following:

"The promotion of industry and commerce in the UK for the public benefit by promoting the productivity of business in order that the UK economy as a whole will benefit through improved business sustainability, employment security, job satisfaction and standards of living."

With the continued impact of coronavirus on businesses and more difficult economic conditions faced by many nations around the world, Be the Business's mission has never been more important. By improving the performance of small business leaders, we improve the UK's position overall, and everyone benefits.

In order to achieve these objectives, Be the Business focuses on two key drivers of productivity:

- Successful tech adoption
- Improved leadership and management skills

By helping small business leaders in these areas – and others – we can create real, recognisable results.

We are building a movement of business leaders from every sector and region in service of our mission. Leaders from the UK's most successful businesses provide resource and expertise to other leaders to enhance their business's productivity and adopt improvement mindsets:

- We offer online support through our website, with business stories, action plans and guides all freely available
- We create and run flagship programmes providing tailored, in-depth support for business leaders, including our Mentoring and Boards offers
- We publish research and studies from the frontline of small business, helping us to understand leaders and help them be more productive
- We deliver campaigns that demonstrate the positives of productivity for small businesses, tackling information gaps and fixed mindsets
- We undertake a rigorous programme of evaluation to identify the activities that deliver the greatest impact, at scale, in subsequent years

Achievements and performance

Be the Business has been fully operational for four and a half years and we continue to be focused on maximising our operational capabilities, building scale, and delivering impact for business leaders. In previous years, we have adopted a test-and-learn approach, using robust evaluation to inform future activity. We are building on this, while aiming to increase the reach and levels of engagement with our core programmes. In particular, as we move out of the Covid-19 pandemic and into a cost-of-living crisis, which is severely affecting businesses up and down the country, we will continue to support business leaders as they seek to improve.

**THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Movement building and campaigns

Since inception, Be the Business has engaged thousands of SMEs in improvement activities, including our programmes, digital offerings, and events. By the end of 2021/22:

- There was a £395m productivity uplift for businesses that participated in Be the Business interventions
- 5,137 individuals from firms across different sectors and regions participated in one of our face-to-face leadership and management programmes
- Over 1.4m unique users visited our website, accessing information on how businesses have adapted to coronavirus, as well as tools and guides to help business leaders find a path through the pandemic and beyond

Our partnerships

We continued to work alongside business leaders, particularly our Be the Business Ambassadors, to understand the opportunities and challenges facing them in real-time. We work with critical ecosystem partners including Local Enterprise Partnerships (LEPs), Growth Hubs, national and local business support organisations, local chambers of commerce, universities and, of course, our corporate partners. In January 2022 we signed a Memorandum of Understanding with the Productivity Institute to collaborate to better understand and improve the productivity of UK businesses. We partnered with leaders across dozens of large companies to enlist their support in improving productivity. Our corporate partners contributed £3.2 million of cash and £5.1 million of in-kind support in the year.

We launched our partnership with Mastercard Impact Fund, while also working alongside Enterprise Nation and Digital Boost, to deliver Strive UK. The Strive UK programme aims to empower black and Asian leaders from micro and small businesses around the country to succeed in the digital economy through free guidance, helpful tools, and personalised one-to-one mentoring. By collaborating with Mastercard, Be the Business hopes to reach small business leaders who, up until now, have faced challenges accessing support, assistance and advice.

To help solve the long-standing problem of low productivity in the construction industry, Be the Business formed the Construction Productivity Taskforce in collaboration with leading industry figures, with the aim of identifying and trialling new ways of making the sector more productive. Alongside Be the Business, the taskforce features major organisations in the construction sector, meeting regularly to review progress against three workstreams: data and metrics, collaborative contracting, and pilot sites.

In addition, our Technology Taskforce provides guidance on the collective actions required by the industry to bring about mass technology adoption among small business leaders in the UK. Pairing in-depth understanding of small- and medium-sized business needs with a recognition that suppliers do not serve that market effectively, the Taskforce aims to put productivity-boosting technology into the hands of every business leader.

Consequently, we are developing a unique understanding of the productivity challenge and are feeding these insights back into Government to influence policy, generate ideas and to continually build new propositions. We were delighted to see that the Government in its 2021 Budget announcement of 'Help to Grow' put productivity at the heart of the economic recovery. Be the Business has played a significant role in shaping the Help to Grow policy across both leadership and management and tech adoption by supporting BEIS to host focus groups on Help to Grow Management campaign materials and contributing to several stakeholder meetings on the design of Help to Grow Digital.

Our campaigns

In 2021, Be the Business undertook a significant segmentation of the business leader population which identified six leadership typologies informed by the way individuals make decisions in their businesses, engage their employees, and seek support for improvement. This information was used to create a 'Superleaders' campaign designed to reach and engage a wide range of business leaders. Based on their answers to six questions, leaders were provided with information of a leadership typology aligned to their answer, as well as a range of tailored business support via the Be the Business website. Superleaders included original superhero-

**THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

style artwork and was supported by an extensive digital campaign. Evaluation of the campaign was very positive, finding that one fifth of those who engaged with it returned to explore Be the Business' digital offerings on five or more occasions.

We also launched the Be the Business Bootcamp, which offers a clear online learning journey to help business leaders become more productive. Each bootcamp contained a range of tailored content around a particular theme, with the aim of providing business leaders with inspiration, practical advice and tips, and tools to take the next step in their own business. Be the Business plans to build on this work further in the next financial year, with a series of digital tests and campaigns to explore and develop new ways of reaching small business leaders.

Events

The Be the Business Festival took place on 31 March 2022 attended by 210 SME leaders and featuring contributions from Rt Hon Rishi Sunak MP, Tracy Brabin, Bill Esterson MP and a range of business leaders. The Festival was held in Leeds and included exhibitors from across the business support ecosystem.

2021 was tough at times, so we launched our Inspire series. The online events brought prominent voices from the world of business discussing the timely topics of the day to business leaders. We hosted three virtual events on the importance of perseverance, the need for a defined brand identity and tips on post-pandemic recruitment. The events included networking opportunities.

We held two roundtables with Minister for Small Business, Paul Scully MP, to discuss support for underrepresented SME leaders: one in partnership with Mastercard and the other with Meta.

Programmes and pilots

Our programmes continue to receive very positive feedback from participants.

Be the Business Mentoring

In 2021/22, 433 business leaders benefited from the support of one of our mentors. Our Mentoring programme carefully matched SME leaders with experienced and committed senior individuals, including many from the UK's most successful companies.

Our evaluations show that Be the Business Mentoring has resulted in a tangible increase in leadership and management skills:

- 4 in 5 (80%) say mentoring helped them to improve their knowledge and skills (incl. Soft skills such as trust, communication)
- 3/4 (75%) say mentoring increased their confidence in implementing leadership and management practices
- Over half (54%) say mentoring encouraged them to adopt new leadership and management practices

And evaluation findings also show that Be the Business Mentoring results in a clear and positive impact for business leaders:

- Over half (51%) of mentees report that Mentoring for Growth has improved their productivity
- 2/3 (67%) expect to see productivity gains over the next two years
- 1/3 (38%) employed more people
- 1/3 (32%) increased turnover
- Only 6% believe the benefits would have happened without participating in Mentoring for Growth
- 1/3 (30%) indicated their customers have indirectly benefitted as a result of their involvement

**THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Be the Business Boards

Be the Business Boards supported 83 business leaders in 2021/22, providing them with a free advisory board, consisting of five experienced advisors with complementary experience, for a twelve month period.

Tech Adoption Labs

The Tech Adoption Labs programme received funding from The Good Things Foundation to provide an opportunity for small business owners from underrepresented backgrounds based in East London / London to gain free access to expert advice on the digital best tools and processes for their business. Business owners can attend free workshops, and receive free one-to-one support from tech experts who can answer the difficult questions about successfully implementing technology.

Evaluation, Research and Insights

Undertaking and publishing research, some in association with our corporate partners, continues to be a key strand of activity for Be the Business. In 2021/22, we published seven major pieces of research:

- Productive Business Index (3 editions published in 2021/22)
 - Be the Business has now produced four editions of the PBI. The PBI tracks the business performance and capabilities of a representative sample of micros and SMEs.
- Skills for Success: Supporting business leaders with digital adoption – in partnership with The Open University
 - This report looked at the skills needed to help support SMEs with successful tech adoption.
- Be the Business Tech Adoption Lab – Insights Report
 - The Lab helps successful adoption, but also generates significant insight into how barriers to tech adoption can be overcome, and the types of support that are of most benefit to SMEs undertaking a tech adoption journey. The results and lessons are in this Insight Report.
- SME Leader Segmentation
 - A research project which sought to segment business leaders based on how they lead within their business, how they make decisions and what trusted sources they engage with.
- Supporting Ethnic Minority-Led Businesses
 - This report brings together a literature review and qualitative research to contribute to the evidence base around D&I and productivity to support Be the Business' future planning to support minority-led SMEs

Digital tools

Throughout 2021/22 Be the Business continued to develop digital tools that encourage and support business leaders to develop their management capabilities and adopt productivity boosting technology.

New website/learning platform

Be the Business launched a new website with enhanced functionality. Business leaders are now able to access an extensive range of guided action plans, thematic improvement guides, tools and templates designed to improve management capabilities.

Data infrastructure

Be the Business invested in its data infrastructure to enable more real time insights to be generated by the audience of visiting SME leaders.

Innovating delivery methods

New methods of engaging business leaders via digital were tested throughout the year, including testing how third parties can deliver advice and support drawing on Be the Business resources. This took the form of a pilot

**THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

whereby Lloyds Banking Group relationship managers were provided with Be the Business content and support designed to help them better engage business banking customers with opportunities to improve their productivity.

Financial review

In the year ended 31 March 2022 the Group recognised £4.9 million of Government grant income and £8.3 million of private income of which £5.1 million was pro-bono in kind support, bringing the total recognised pro-bono value over five years to £17.75 million.

To date, the Government has formally agreed funding of £12 million until March 2025, with £5 million in 2022/23, £4 million in 2023/24, and £3 million in 2024/25. We are focused on diversifying our funding base over this period in order to increase the number of activities we can support, maintain our long-term viability and reduce the operational risk of being solely dependent on one funder.

The commercial subsidiary had income of £0.6 million and all taxable profits are gifted to the charity under deed of donation. We expect activity through the subsidiary to grow in coming years.

Structure, governance and management

The Productivity Group is an independent registered charity (charity no. 1173660) and a company limited by guarantee (incorporated on 4 May 2017 and registered in England and Wales, no. 10754958). The charity is governed by the Articles of Association dated 30 June 2017. Whilst we work closely with our Government sponsors, the selection and appointment of trustees is independent of any third parties and is solely decided upon by a vote of the existing trustees.

The trustees of Be the Business during the year to 31 March 2022 were:

- Tera Allas
- Jeremy Anderson
- Sir Charlie Mayfield
- Hosein Khajeh-Hosseiny

The charity has a wholly owned commercial subsidiary - The Productivity Group (Commercial) Limited (Company number: 10894488).

The trustees meet formally on a quarterly basis to review progress to date and approve our strategy.

Remuneration

Trustees are responsible for approving the pay and remuneration of key management personnel and agreeing annual staff pay increases, taking external benchmarking advice to inform their decisions. Our salaries are benchmarked against similar roles in comparable charities, private sector businesses and other relevant organisations and they reflect the knowledge, skills, responsibilities and attributes required for the performance of each position.

Be the Business is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, socio-economic background, pregnancy/maternity, sexual orientation, gender reassignment or disability.

Induction and training of Trustees

To equip new trustees with the information they need to perform their role effectively, they receive detailed information on their duties and responsibilities under Charity Law and follow a structured induction programme consisting of meetings with the senior management team and other key stakeholders. Trustees also undergo regular training as required.

How the charity makes decisions

Key strategic decisions are made by the trustees and are then delegated to the Senior Leadership Team for implementation.

THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Fundraising approach

Be the Business operates a split funding model, made up of both Government grants and contributions from commercial organisations (both of a financial nature and 'in-kind' pro-bono support). The fundraising focus in 2021/22 has been securing on-going Government grant funding, which was successful with £12 million of funding through to March 2025 confirmed in June 2022, and building a pipeline of private sector income. Be the Business does not fundraise directly from members of the public.

Reserves Policy

The Trustees have established a reserves policy in order to protect the organisation and its programmes from the risk of disruption at short notice due to a lack of funds, whilst ensuring that it does not retain income for longer than required. Given there are also restrictions on the use of government funds for certain types of expenditure, it is necessary for reserves to be built up to a level which will ensure that all liabilities can be met.

In establishing the reserves policy, the Trustees have taken into account the following factors:

- The level of dependency on government funds, restrictions upon their use and the agreed notice periods related to changes in funding levels.
- The pipeline of non-governmental funding sources and level of risk associated with each one.
- The current level of reserves and level of committed costs (in both the normal course of operation and those that would be triggered in the event of a significant change in government funding).
- Current and future levels of activity and related expenditure, together with the associated risks around each one.
- The business plan and financial forecasts.

Due to the requirements of our BEIS grant agreement, no Government funds may be used to generate unrestricted reserves. However, the Trustees have determined that a target of £550k in unrestricted reserves is desirable for 2022/23 to mitigate any potential risks. Unrestricted reserves at 31 March 2022 were above target at £2,046k, increased from £1,769k in the prior year, which trustees have confirmed is appropriate given budget and investment needs for the years ahead. The level of reserves will be formally reviewed again in September 2022, again taking into account factors listed above.

As at 31 March 2022 the charity also holds £1,601k in restricted funds (2021: £252k), which are to be used for specific purposes, as defined by funders.

Risk Management

Be the Business considers good risk management to be a key part of its operational requirements. As such, consideration is given to areas of activity where stakeholders or the reputation of the organisation are potentially vulnerable to adverse actions that could affect:

- operational performance
- achievement of aims and objectives; or
- the meeting of stakeholders' expectations.

In formulating the view of risk, the trustees have specifically considered the following:

- a) *Strategic Management* - The strategy used when defining risk is the action taken to give effect to long-term plans and objectives.
- b) *Talent* – The dependency on key members of staff.
- c) *Safety* - The physical safety and health of our staff and stakeholders.
- d) *Legislative* – Both compliance with current laws and EU regulations and ensuring continued compliance with changes to such legislation.
- e) *Grant Agreements* – Compliance with the terms of the BEIS grant letter is key to ensure continued funding.
- f) *Financial* - The economic and financial effect of each project should be taken into account in planning, monitoring and managing it, along with the overall management of funds.

THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

To manage these risks, a register is maintained and reported to the Trustees and BEIS on an ongoing basis. Periodic monitoring also ensures that systems and procedures are being followed and that new risks are addressed and identified as they arise.

Future Plans and Going Concern

Over the coming year we will continue to scale our existing programmes, working with a range of commercial and delivery partners. We will also continue to approach FTSE 100 CEOs as well as leading entrepreneurs and philanthropists in the coming months, asking them to join the movement and bring their leadership, innovation and resources to the table.

Given the preparatory work which has taken place over the last five years, the initiatives that are currently in progress and the level of funding already committed by government and our commercial partners, the Trustees are confident that the Be the Business movement is in a strong position to have a positive impact on the productivity of UK businesses, and indeed the wider UK economy in the years to come.

Following confirmation of Government grant funding through to March 2025 in the 2022 Comprehensive Spending Review, Trustees have undertaken a review of our financial position, funding discussions, reserves levels and future plans. Based on this review, and taking into account the known implications of Covid-19, Trustees have confidence that the charity remains a going concern for the foreseeable future with positive cashflow and reserves forecast for at least twelve months from the date of signing the accounts.

THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Statement of Trustees' Responsibilities

The trustees (who are also directors of The Productivity Group for the purposes of Company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

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

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

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

In so far as each of the trustees are aware at the time the report is approved:

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

Approved by the Board on 28 September 2022 and signed on its behalf by:



Sir Charlie Mayfield
Chair of Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE PRODUCTIVITY GROUP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE PRODUCTIVITY GROUP

Opinion

We have audited the financial statements of The Productivity Group for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the group and parent charitable company's Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's and parent charitable company's net movement in funds, including the 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE PRODUCTIVITY GROUP

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 2, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the reporting requirements of the Department for Business, Energy & Industrial Strategy (BEIS), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Charities SORP (2019), Companies Act 2006 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks are related to the valuation of pro bono services and the recognition of grant income. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE PRODUCTIVITY GROUP

- Reviewing the controls and procedures of the charity, particularly in relation to the recording of income and processing of payments and payroll, to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing and testing journal entries made in the year, particularly those made as part of the year end financial reporting process; and
- Challenging assumptions and judgements made by management in their critical accounting estimate being the recognition and valuation of pro bono services.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Thomas Wilson (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

Date: 30/09/22

10 Queen Street Place
London
EC4R 1AG

THE PRODUCTIVITY GROUP (Be the Business)
GROUP STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Income and endowments from:					
Donations and pro-bono support	2	847,000	5,121,907	5,968,907	8,826,015
Charitable activities:					
BEIS Grant		-	4,930,042	4,930,042	8,505,007
Other		518	1,666,760	1,667,278	272,662
Other Trading Income	3	688,975	-	688,975	431,667
Total Income		1,536,493	11,718,709	13,255,202	18,035,351
Expenditure on:					
Charitable activities		1,259,133	10,369,382	11,628,515	17,854,469
Total Expenditure	4	1,259,133	10,369,382	11,628,515	17,854,469
Net Income	7	277,360	1,349,327	1,626,687	180,882
Net Movement in funds		277,360	1,349,327	1,626,687	180,882
Reconciliation of funds					
Total funds brought forward		1,768,618	251,516	2,020,134	1,839,252
Total funds carried forward	13	2,045,978	1,600,843	3,646,821	2,020,134

The company has taken the exemption allowed by section 408 of the Companies Act 2006, not to prepare a company only statement of financial activities.

All the above results are derived from continuing activities. There are no recognised gains or losses other than those stated above. The net income for the charity for the year was £1,626,687 (2021: net expenditure of £90,687). Full comparative figures for the year ended 31 March 2021 are shown in note 19.

The notes on pages 17 to 25 form part of these financial statements.

THE PRODUCTIVITY GROUP (Be the Business)
GROUP BALANCE SHEET
AS AT 31 MARCH 2022

Company number 10754958

	Notes	2022 £	2021 £
Fixed Assets	16	21,717	20,106
Total Fixed Assets		<u>21,717</u>	<u>20,106</u>
Current Assets			
Debtors - amounts falling due after more than one year	11	301,750	-
Debtors - amounts falling due within one year	11	868,747	641,835
Cash at Bank		3,560,303	2,465,643
Total Current Assets		<u>4,730,800</u>	<u>3,107,478</u>
Liabilities			
Creditors: amounts falling due within one year	12	<u>(1,105,696)</u>	<u>(1,107,450)</u>
Net Current Assets		<u>3,625,104</u>	<u>2,000,028</u>
Total Assets less current liabilities		<u>3,646,821</u>	<u>2,020,134</u>
Total Net Assets		<u>3,646,821</u>	<u>2,020,134</u>
The funds of the charity:			
Unrestricted funds		2,045,978	1,768,618
Restricted funds		1,600,843	251,516
Total Group Funds		<u>3,646,821</u>	<u>2,020,134</u>

The notes on pages 17 to 25 form part of these financial statements.

The accounts were approved by the Trustees on 28 September 2022 and signed on their behalf by:



.....
 Sir Charlie Mayfield
 Chair

THE PRODUCTIVITY GROUP (Be the Business)
CHARITY BALANCE SHEET
AS AT 31 MARCH 2022

Company number 10754958

	Notes	2022 £	2021 £
Fixed Assets	16	21,717	20,106
Total Fixed Assets		<u>21,717</u>	<u>20,106</u>
Current Assets			
Debtors - amounts falling due after more than one year	11	301,750	-
Debtors - amounts falling due within one year	11	1,334,282	933,473
Cash at Bank		3,027,584	1,981,563
Total Current Assets		<u>4,663,616</u>	<u>2,915,036</u>
Liabilities			
Creditors: amounts falling due within one year	12	<u>(1,038,512)</u>	<u>(915,008)</u>
Net Current Assets		<u>3,625,104</u>	<u>2,000,028</u>
Total Assets less current liabilities		<u>3,646,821</u>	<u>2,020,134</u>
Total Net Assets		<u>3,646,821</u>	<u>2,020,134</u>
The funds of the charity:			
Unrestricted funds		2,045,978	1,768,618
Restricted funds		1,600,843	251,516
Total Charity Funds		<u>3,646,821</u>	<u>2,020,134</u>

The notes on pages 17 to 25 form part of these financial statements.

The accounts were approved by the Trustees on 28 September 2022 and signed on their behalf by:



.....
 Sir Charlie Mayfield
 Chair

THE PRODUCTIVITY GROUP (Be the Business)
GROUP STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Cash flows from operating activities	A	1,108,867	517,937
Cash flows from investing activities			
Net purchase of tangible fixed assets		(14,207)	(13,147)
Change in cash and cash equivalents in the period	B	1,094,660	504,790
Cash and cash equivalents at the beginning of the period		2,465,643	1,960,853
Cash and cash equivalents at the end of the period		3,560,303	2,465,643

A. Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net Income	1,626,687	180,882
(Increase)/decrease in debtors	(528,662)	(432,112)
Increase/(decrease) in creditors	(1,754)	758,614
Depreciation of fixed assets	12,596	10,553
Net Cash provided by operating activities	1,108,867	517,937

	At 1 April 2021 £	Cashflows £	At 31 March 2022 £
B. Analysis of changes in net cash funds			
Cash in hand	2,465,643	1,094,660	3,560,303
Total cash and cash equivalents	2,465,643	1,094,660	3,560,303

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019) applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102. The charity has one subsidiary company, The Productivity Group (Commercial) Limited, registered in England and Wales under company number 10894488. The group accounts include the results of the subsidiary, consolidated on a line by line basis.

General Information

The Productivity Group, trading as Be the Business, was incorporated in England and Wales on 4 May 2017 as a charitable company limited by guarantee (company number 10754958 and a charity registered in England and Wales (charity number 1173660). The registered office address is 10 Queen Street Place, London, England, EC4R 1AG and the charity operates from its principal address at 26-28 Glasshouse Yard, London EC1A 4JU.

Preparation of accounts on a going concern basis

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. Operations have continued successfully through 2022, to the date of signing these accounts, and the review of our financial position, funding discussions, reserves levels and future plans, taking into account the known implications of Covid-19, Trustees have confidence that the charity remains a going concern for the foreseeable future.

Significant judgements and sources of estimation uncertainty

In preparing the financial statements management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies. The trustees consider that the key area of judgement in the accounts is the valuation of pro-bono support.

Pro-bono support is valued at the lower of the value of the donation to the charity and fair value and is recognised on receipt of the support. We are fortunate to receive a wide range of pro-bono support from a large number of sources which is valued on a prudent basis using appropriate estimation techniques. The rate card developed by management for recurring pro bono support is reviewed every six months to test that the valuation assumptions remain appropriate. Material categories of support and the basis for valuation are as follows:

- Programmatic support – includes mentors, advisory board members, sector Steering Group members and others who give their time to facilitate our programmes with SME leaders for free. The support is valued using meeting attendance records or surveys conducted to establish average time commitments, with hourly rates calculated by reference to market rates for the type of support being provided.
- Movement building and campaign support – includes: promotional activity by our partners to help our content and events reach as many SME leaders as possible, including delivery of webinars on the charity's behalf (valued with reference to the size of audience reached and media rate cards); Be the Business Fellows' time, being senior business leaders who work with us to promote the productivity movement and build stakeholder networks (valued based on time sheets and hourly rate for the type of support being provided); pro bono agency support and ad credits (valued based on rates paid by the charity for comparable services).
- Consultancy to support our thought leadership research and programmatic development, valued based on charitable rate cards of the relevant consultancies gifting their time.
- Secondments of staff roles are valued based on the price paid by the charity for comparable roles.
- Office space is valued with reference to market rates taking into account the nature of the organisation, the number of desks and facilities provided.

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (continued)

Funds structure

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Designated funds are unrestricted funds earmarked by the Trustees for particular activities or purposes. Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or funder.

Income

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered.

Tangible Fixed Asset and Depreciation

All assets costing more than £500 are capitalised. Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their useful lives.

Computer Equipment 33.3% straight line.

Debtors

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

Creditors

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

Pensions

The charity operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of charity in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the period.

Employee short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the period end rate of exchange. Transactions denominated in foreign currencies are translated at the rates prevailing at the transaction date.

Financial instruments

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

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. DONATIONS & PRO-BONO SUPPORT

	2022	2021
	£	£
Donations	847,000	905,000
Programmatic Support	4,111,480	3,019,197
Movement building and campaigns	584,015	2,155,704
Consultancy	5,400	2,091,000
Secondments	22,917	156,583
Office space	390,000	390,000
Other pro-bono	8,095	108,531
Total pro-bono	5,121,907	7,921,015
Total donations & pro-bono support	5,968,907	8,826,015

3. OTHER TRADING INCOME

	2022	2021
	£	£
Sponsorship income	155,000	-
Primary purpose trading	85,625	-
Commercial trading	466,850	431,667
Other income	1,500	-
Total other income	688,975	431,667

4. ANALYSIS OF EXPENDITURE 2022

	Staff costs	Direct costs	Support costs	Total 2022	Total 2021
	£	£	£	£	£
Movement building and Campaigns	872,700	1,622,919	290,366	2,785,985	5,581,402
Programmes and Pilots	863,555	4,878,765	303,564	6,045,884	8,370,441
Evaluation Research and Insights	491,359	616,481	98,988	1,206,828	1,777,043
Digital tools	663,944	750,995	174,879	1,589,818	2,125,583
Total expenditure	2,891,558	7,869,160	867,797	11,628,515	17,854,469

ANALYSIS OF EXPENDITURE 2021

	Staff costs	Direct costs	Support costs	Total 2021	Total 2020
	£	£	£	£	£
Movement building and Campaigns	1,260,380	3,863,459	457,563	5,581,402	2,494,376
Programmes and Pilots	1,104,081	6,882,472	383,888	8,370,441	4,915,468
Evaluation Research and Insights	517,981	1,119,467	139,595	1,777,043	1,028,806
Digital tools	601,604	1,357,240	166,739	2,125,583	1,785,177
Total expenditure	3,484,046	13,222,638	1,147,785	17,854,469	10,223,827

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. SUPPORT COSTS	2022	2021
	£	£
Staff related costs	56,790	67,050
Pro Bono Consultancy	-	120,000
Consultancy	128,771	68,230
Rent (Office Space – Pro Bono)	390,000	390,000
IT support	53,361	66,599
Professional fees	45,016	20,305
Audit and accountancy	33,238	92,056
Travel	13,595	286
Telephones	10,428	10,336
Human resources	6,134	28,202
Printing	349	819
Insurance	8,311	7,552
Bank charges and interest	1,751	593
Depreciation	12,596	10,553
General expenses	6,332	16,541
Realised currency gains	(19,261)	-
Irrecoverable VAT	29,706	-
Partnership Costs	9,313	-
Data Strategy & Systems	81,367	248,663
	<u>867,797</u>	<u>1,147,785</u>
6. GOVERNANCE COSTS (included above)	2022	2021
	£	£
Audit fees	17,800	16,940
	<u>17,800</u>	<u>16,940</u>
7. NET INCOME / EXPENDITURE	2022	2021
	£	£
Net income is stated after charging:		
Auditors' remuneration		
Audit services	18,160	19,440
Other services	6,458	8,880
Depreciation	12,596	10,553
8. STAFF COSTS AND NUMBERS	2022	2021
	£	£
Salaries and wages	2,407,624	2,853,979
Social security costs	250,604	320,341
Pension costs	233,329	299,726
Secondment and consultancy fees	176,810	207,907
Other staff costs	10,981	23,220
	<u>3,079,348</u>	<u>3,705,173</u>

Included in other staff costs are payments made on termination of £2,448 (2021: £10,000).

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
Average staff numbers (including secondees):		
Movement building and Campaigns	7.3	9.8
Programmes and Pilots	7.7	8.2
Evaluation Research and Insights	2.5	3.0
Digital tools	4.4	3.6
Partnerships	4.0	6.8
Administration staff (including core senior leadership team)	9.8	10.3
	<u>35.7</u>	<u>41.8</u>

Number of employees whose emoluments in the period were:

	2022	2021
£60,000 - £69,999	7	9
£70,000 - £79,999	6	5
£80,000 - £89,999	-	2
£90,000 - £99,999	1	1
£110,000 - £119,999	2	1
£120,000 - £129,999	-	1
£140,000 - £149,999	-	3
£260,000 - £269,999	1	-

Total remuneration of the key management personnel of the charity was £976,168 (2021: £994,767).

9. TRUSTEES

No trustees received remuneration from the charity for their services (2021: none). No expenses were reimbursed to trustees in the period. (2021: none)

10. TAXATION

The charity is exempt from corporation tax as all its income is applied for charitable purposes. The charity's trading subsidiary donates to the charity an amount equal to any taxable profits under Gift Aid. Consequently there is no taxation charge for the year (2021: £nil).

11. DEBTORS

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Prepayments	103,496	158,522	103,082	158,522
Debtors	55,350	30,000	42,750	-
Sundry debtors	-	27,090	-	27,090
Amounts owed by group undertakings	-	-	478,549	321,638
Accrued income	1,011,651	426,223	1,011,651	426,223
	<u>1,170,497</u>	<u>641,835</u>	<u>1,636,032</u>	<u>933,473</u>

Accrued income of £301,750 (2021 - £nil) in both group and charity is due after more than one year.

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade Creditors	615,699	789,674	615,699	789,647
Sundry Creditors	45,772	40,752	33,416	7,537
Deferred income	155,625	155,000	106,875	-
Accruals	288,600	122,024	282,522	117,824
	<u>1,105,696</u>	<u>1,107,450</u>	<u>1,038,512</u>	<u>915,008</u>

13a. ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP AND CHARITY 2022

	Unrestricted funds	Restricted funds	Total 2022
	£	£	£
Fixed Assets	8,591	13,126	21,717
Current Assets	2,308,991	2,421,809	4,730,800
Creditors: amounts falling due within one year	(271,604)	(834,092)	(1,105,696)
Net assets	<u>2,045,978</u>	<u>1,600,843</u>	<u>3,646,821</u>

13b. ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP AND CHARITY 2021

	Unrestricted funds	Restricted funds	Total 2021
	£	£	£
Fixed Assets	-	20,106	20,106
Current Assets	2,030,639	1,076,839	3,107,478
Creditors: amounts falling due within one year	(262,021)	(845,429)	(1,107,450)
Net assets	<u>1,768,618</u>	<u>251,516</u>	<u>2,020,134</u>

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. NET MOVEMENT IN FUNDS – GROUP 2022

	At 1 April 2021	Income	Expenditure	At 31 March 2022
	£	£	£	£
Restricted funds				
BEIS	201,516	4,930,042	(5,009,354)	122,204
Productivity through People	50,000	-	-	50,000
Innovation UK	-	132,849	(132,849)	-
Good Things Foundation	-	113,911	(44,952)	68,959
Mastercard	-	1,420,000	(60,320)	1,359,680
Other (Pro Bono)	-	5,127,907	(5,127,907)	-
Unrestricted funds				
Charity	1,497,049	934,643	(385,714)	2,045,978
Subsidiary	271,569	601,850	(873,419)	-
Total funds	2,020,134	13,255,202	(11,628,515)	3,646,821

14b. NET MOVEMENT IN FUNDS – GROUP 2021

	At 1 April 2020	Income	Expenditure	At 31 March 2021
	£	£	£	£
Restricted funds				
BEIS	1,088,340	8,505,007	(9,391,831)	201,516
Productivity through People	50,000	-	-	50,000
Innovation UK	-	132,466	(132,466)	-
Other (Pro Bono)	-	7,921,015	(7,921,015)	-
Other (Construction Taskforce)	-	140,000	(140,000)	-
Unrestricted funds				
Charity	623,436	905,196	(31,583)	1,497,049
Subsidiary	77,476	431,667	(237,574)	271,569
Total funds	1,839,252	18,035,351	(17,854,469)	2,020,134

15a. NET MOVEMENT IN FUNDS – CHARITY 2022

	At 1 April 2021	Income	Expenditure	Gift Aid transfer	At 31 March 2022
	£	£	£	£	£
Restricted funds	251,516	11,718,709	(10,369,382)	-	1,600,843
Unrestricted funds	1,768,618	934,643	(1,068,929)	411,646	2,045,978
Total funds	2,020,134	12,653,352	(11,438,311)	411,646	3,646,821

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15b. NET MOVEMENT IN FUNDS – CHARITY 2021

	At 1 April 2020 £	Income £	Expenditure £	Gift Aid transfer £	At 31 March 2021 £
Restricted funds	1,138,340	16,698,488	(17,585,312)	-	251,516
Unrestricted funds	700,912	905,196	(109,059)	271,569	1,768,618
Total funds	1,839,252	17,603,684	(17,694,371)	271,569	2,020,134

16. TANGIBLE FIXED ASSETS – CHARITY AND GROUP

	2022 £	2021 £
Cost at 1 April	38,622	25,475
Additions	14,207	13,147
Disposals	-	-
As at 31 March	52,829	38,622
Depreciation at 1 April	18,516	7,963
Charged in year	12,596	10,553
As at 31 March	31,112	18,516
Net book value at 31 March	21,717	20,106

17. TRADING SUBSIDIARY

The charity owns 100% of the share capital of The Productivity Group (Commercial) Limited, company number 10894488, (registered in England and Wales). The results for the year to 31 March 2022 are shown below.

	2022 £	2021 £
Turnover	601,850	431,667
Administrative costs (including intercompany recharge)	(190,204)	(160,098)
Net profit before taxation	411,646	271,569
Net current assets	411,646	271,569

100% of the trading subsidiary's taxable profits of £411,646, (2021: £271,569) are donated to the parent under the existing deed of covenant.

18. RELATED PARTY TRANSACTIONS

There were no related party transactions in 2022 (2021: £nil).

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. GROUP STATEMENT OF FINANCIAL ACTIVITIES 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Income and endowments from:				
Donations and legacies	2	905,000	7,921,015	8,826,015
Charitable activities:				
BEIS Grant		-	8,505,007	8,505,007
Other		196	272,466	272,662
Other Trading Income	3	431,667	-	431,667
Total Income		1,336,863	16,698,488	18,035,351
Expenditure on:				
Raising funds		-	-	-
Charitable activities		269,157	17,585,312	17,854,469
Total Expenditure	4	269,157	17,585,312	17,854,469
Net Income/(Expenditure)	7	1,067,706	(886,824)	180,882
Net Movement in funds		1,067,706	(886,824)	180,882
Reconciliation of funds				
Total funds brought forward		700,912	1,138,340	1,839,252
Total funds carried forward		1,768,618	251,516	2,020,134

All the above results are derived from continuing activities. There are no recognised gains or losses other than those stated above.

THE PRODUCTIVITY GROUP

England & Wales - Charity number 1173660

Accounts

THE PRODUCTIVITY GROUP
Trading as Be the Business

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Registered charity number: 1173660
Registered company number: 10754958

THE PRODUCTIVITY GROUP (Be the Business)
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FOR THE YEAR ENDED 31 MARCH 2021

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**THE PRODUCTIVITY GROUP (Be the Business)
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 MARCH 2021**

Company registration number

10754958

Charity registration number

1173660

Registered office

10 Queen Street Place
London EC4R 1AG

Trustees

Tera Allas
Jeremy Anderson
Sir Charlie Mayfield (Chair)
Hosein Khajeh-Hosseiny

Key management personnel

Anthony Danker – Chief Executive (Left 16 October 2020)
Anthony Impey – Chief Executive (Appointed 19 October 2020)
Helen Wright – Chief Financial Officer
Louise Sunderland - Director of Programmes (Left 23 April 2021)
Matthew Bright - Communications & Marketing Director
Helen Puddefoot - Director of Strategic Partnerships (Return from maternity leave January 2021)
Oliver Reichardt – Interim Director of Strategic Partnerships (Left 30 April 2020)
Sally Bateson – Interim Director of Strategic Partnerships (Appointed 27 April 2020, left 20 January 2021)

Bankers

Lloyds Bank
39 Threadneedle Street
London EC2R 8AU

Auditors

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

**THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Introduction

The trustees, who are also the directors of the charity, have pleasure in presenting their report together with the financial statements of The Productivity Group (Be the Business) for the for the year to 31 March 2021.

The reference and administrative information set out on page 1 forms part of this report. These financial statements comply with current statutory requirements, the charity's memorandum and articles, applicable law and the Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Objectives and activities

The charity's objects have been defined as the following:

"The promotion of industry and commerce in the UK for the public benefit by promoting the productivity of business in order that the UK economy as a whole will benefit through improved business sustainability, employment security, job satisfaction and standards of living."

In order to achieve this, we are creating a national movement which will focus on three primary aims:

- We are building a national campaign to engage small and medium businesses up and down the country;
- We are also building a digital platform and set of tools that drives both engagement and change among firms; and
- We are scaling a range of programmes targeted at improving leadership & management capability and technology adoption.

In so-doing our movement is for both leading companies, who will be asked to contribute leadership and resources to allow us to develop and test effective approaches, as well as small and medium-sized firms looking to improve.

We have adopted a test-and-learn approach, coupled with a rigorous programme of evaluation which will enable us to rapidly deploy those activities which deliver the greatest impact, at scale, in subsequent years.

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees have considered how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance

Be the Business has been fully operational for three and a half years. Management and Trustees agreed that we should use our first year as a year of *Discovery* – to find and test new ways to engage and improve firms and build a dynamic, broad-based movement, and to develop our own insights into what works in practice. This has been a precondition for our current phase of *Propagation*, where we seek to increase the number of firms and partners engaged in the movement and start to play a shaping role in the ecosystem, while building on and extending our evidence-base. Elements of our work are now moving into a third phase of *Scale* for the movement, where these approaches are embedded into national business life.

Over the past financial year, Be the Business has engaged thousands of SMEs to understand their improvement activities, their approach to business support and their feedback on our emerging propositions. In FY20/21:

- 5,911 individuals from firms across different sectors and regions participated in BtB programmes
 - 3,827 individuals engaged with our digital tools and platforms
 - 2,084 participated in our leadership and management programmes

**THE PRODUCTIVITY GROUP (Be the Business)
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FOR THE YEAR ENDED 31 MARCH 2021**

- Our campaigns generated 243 million opportunities to see our content via the Be the Business website, media and partners
- There was an estimated £114m uplift in GVA (Gross Value Added, our measure for productivity) for business leaders that took part in our programmes

We have partnered with leaders across dozens of large companies to enlist their support for the movement and have also worked with critical ecosystem partners including Local Enterprise Partnerships (LEPs), Growth Hubs, national and local business support organisations, local chambers of commerce, universities and, of course, our Corporate Partners. Consequently, we are developing a unique understanding of the productivity challenge and are feeding these insights back into Government to influence policy and to continually build propositions. Our Corporate Partners contributed £9.4 million of cash and in-kind support in the year.

Our programmes continue to receive very positive feedback from participants. Our mentoring programme has carefully matched SME leaders with experienced and committed senior individuals from the UK's most successful companies. Our evaluation shows that mentoring has delivered a tangible uplift in leadership and management skills:

- 3 in 4 business leaders who participated in our mentoring programme say it increased confidence in implementing leadership and management practices
- Over half of mentees report that the Be the Business mentoring programme has improved their productivity
- 1 in 3 employed more people after participation
- 1 in 3 reported increased turnover
- Over 85% of businesses stated the benefits that have occurred as a result of the mentoring either wouldn't have occurred at all, or wouldn't have occurred at the same scale, speed or quality without mentoring
- Only 6% believe the benefits they have seen would have happened without participating in the programme

In the Chancellor of the Exchequer's Budget Speech in March 2021, the Rt Hon Rishi Sunak MP mentioned the country's productivity problem and the steps needed to tackle it, referencing the role Be the Business has played in driving the productivity agenda and shaping policy. He launched the government's Help to Grow scheme at the same time, designed to tackle both management and digital skills shortages among SMEs.

Aside from our core operations, our work falls into two main categories:

1. System-Level Change – seeking to energise the national conversation and business awareness through Be the Business' campaign work (backed up by extensive quantitative and qualitative research with SMEs); and to crowd in private, public and third-sector support through our partnership activities.
2. Firm-Level Change - co-design of propositions and programmes that lead to increased demand at firm level for the adoption of best practices.

System level change

Our campaign and movement-building achieved significant momentum this year. Achievements include:

- Media reach of over 74 million opportunities to see Be the Business content and over 937,000 unique visitors to our website. This was driven by the strength of our Covid NOW and Rebuild campaigns, signposting resources and providing business with business support for leaders grappling with the implications of the pandemic.
- Four major pieces of research:
 - **Segmenting the business impact of coronavirus and where do firms go from here?** – identifying four different segments that capture both the current mindset of a leader and how they reacted to the impact of coronavirus – Hibernators, Survivors, Pivoters, and Thrivers.
 - **Recovery at Risk** – identifying three distinct approaches to recovery amongst SMEs – Innovators, Stickers, and the Undecided. It also examines a wave of coronavirus-driven innovation amongst SMEs.

**THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

- **The UK's Technology Moment** – technology is at the heart of the UK's productivity puzzle. We worked with McKinsey & Company to undertake the largest ever analysis of the UK SME tech market and find out why it's not working.
- **Productive Business Index** - a major new research programme to track changes in UK micro and SME business performance and capabilities over time, including the publication of a second edition tracking productivity changes in Q1 2021.
- Launching a new national campaign featuring comedians and BBC Radio 5 Live DJs Elis James and John Robins to raise awareness of Be the Business and opportunities for business leaders to adopt technology, which achieved over 13 million views.
- Engaging economic leaders, from the 43 SME Ambassadors (who advocate for Be the Business) to regional ecosystem leaders, Government officials and 19 new Be the Business Fellows who share their expertise and support our work
- Establishing trail blazer regional partnerships with the West of England Combined Authority, and Silverstone Technology Cluster to pilot regional delivery of the Be the Business model.

Private Sector Partnerships played an essential role in our operations with more than 40 businesses now committed to the productivity movement generating private sector income of £9.4 million in the year and a strong pipeline for 2021/22. We are grateful to all our partners, in particular Amazon, BAE Systems, Facebook, Lloyds and McKinsey. Our Productivity Leadership Group met 3 times in 2020/21 and the Construction and Technology Steering Groups continue to bring together sector-leading businesses to identify key productivity improvements for their sectors.

Firm-level change

We focused on consolidation of our leadership and management programmes and innovation of our technology adoption interventions, with the following highlights:

- **Mentoring** – we launched a shorter 12-week Rapid Response Mentoring programme in response to Covid-19 and ran a Rose Review Mentoring pilot with Natwest in the West of England and Leeds. Our flagship 12-month Mentoring for Growth programme matched 599 mentoring pairs against a target of 400, and a further 175 Rapid Response mentoring pairs were matched. A new digital platform was trialled to reduce costs and automate the matching mentors with mentees.
- **Productivity through People** – Our highly-successful management training programme was affected by Covid-19 preventing face-to-face activity. Live cohorts were moved online where possible and the first lockdown cohort started digitally in November 2020 at Bath University.
- **Collaborative Networks** – We had to quickly pivot our face-to-face activities to online delivery and successfully supported 1,152 participants in networks activities (masterclasses, peer learning, action learning sets), with a focus on working with local networks – particularly around Diversity and Inclusion. New expert-led Spark Learning sessions focused on finance (launched with Hitachi Capital) and wellbeing, diversity & inclusion (supported by McKinsey and BT). Our hospitality network provided support to one of the hardest hit sectors through the pandemic. In addition, our Advisory Board programme provided 125 business leaders with group mentoring to illustrate the value of independent board advice and support.
- **Technology Adoption** – In response to Covid-19 we launched the Rebuild platform to deliver targeted, tailored content and support to business leaders. Our tech adoption platform “BtB Digital” launched in May 2020 and was developed using insights from 100 SMEs. We began development of a new website that will provide targeted support and guidance for UK business leaders looking to improve and trialled two Technology Adoption labs where business leaders receive one-to-one and group support to assess and implement technology solutions suitable to their business need.

Evaluations are underway or complete for all of the above initiatives and findings have already fed into improvements and will directly influence our future activities.

User requirements are at the heart of our programme validation and product design. For example, when Covid-19 hit we moved quickly to develop segmentation analysis to understand business needs based on bespoke market research and our own analysis and quickly pivoted our programme offerings to be relevant.

**THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Covid-19

While the Covid-19 pandemic has posed inevitable challenges to how we work, we are incredibly proud of how our staff and partners have come together to deliver for Britain's businesses.

On 16 March 2020 our team began working from home in response to the Covid-19 pandemic. We mobilised resources rapidly to support businesses affected by the crisis. By the end of April 2020 we had secured the commitment of 300 mentors to a Rapid Response mentoring cohort, published over 20,000 words of dedicated Covid-19 response content and launched a specific hospitality response with 16 specialist surgeries organised.

Our plans for 2020/21 continued to adapt in response to the ongoing developments. Mentoring, collaborative networks and Productivity through People were run digitally. In June we launched a dedicated website, Rebuild, to bring businesses free expert advice on recovery tactics, stories from peers and access to like-minded people to bounce ideas off. We collaborated with our partners to provide webinars and other remote support and in June 2020 launched a new partnership with Facebook – Facebook Boost with Be the Business – to create a national and regional campaign with virtual, regionally themed UK wide conferences.

Looking ahead to 2021/22 we continue to operate mostly from home, with some phased return to the office on reduced capacity. We secured £5 million government funding for 2021/22 with a pipeline of over £6 million private income at the start of the year.

Be the Business needs to, and has an opportunity to, play a key role in enabling businesses to drive productivity and performance in this radically different version of business-as-usual. While the economic climate is challenging, the imperative to focus on our shared mission is clear and Trustees are comfortable we have a solid pipeline of funding and in-kind support, from both Government and corporate partners. Taken together with a review of our reserves position Trustees have prepared the accounts on a going concern basis.

Structure, governance and management

The Productivity Group is an independent registered charity (charity no. 1173660) and a company limited by guarantee (incorporated on 4 May 2017 and registered in England and Wales, no. 10754958). The charity is governed by the Articles of Association dated 30 June 2017. Whilst we work closely with our Government sponsors, the selection and appointment of trustees is independent of any third parties and is solely decided upon by a vote of the existing trustees.

The trustees of Be the Business during the year to 31 March 2021 were:

- Tera Allas
- Jeremy Anderson
- Sir Charlie Mayfield
- Hosein Khajeh-Hosseiny

The charity has a wholly owned commercial subsidiary - The Productivity Group (Commercial) Limited (Company number: 10894488).

The trustees meet formally on a quarterly basis to review progress to date and approve our strategy.

Remuneration

Trustees are responsible for approving the pay and remuneration of key management personnel and agreeing annual staff pay increases, taking external benchmarking advice to inform their decisions. Our salaries are benchmarked against similar roles in comparable charities, private sector businesses and other relevant organisations and they reflect the knowledge, skills, responsibilities and attributes required for the performance of each position.

THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Be the Business is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, socio-economic background, pregnancy/maternity, sexual orientation, gender reassignment or disability.

Induction and training of Trustees

To equip new trustees with the information they need to perform their role effectively, they receive detailed information on their duties and responsibilities under Charity Law and follow a structured induction programme consisting of meetings with the senior management team and other key stakeholders. Trustees also undergo regular training as required.

How the charity makes decisions

Key strategic decisions are made by the trustees and are then delegated to the Senior Leadership Team for implementation.

Fundraising approach

Be the Business operates a split funding model, made up of both Government grants and contributions from commercial organisations (both of a financial nature and 'in-kind' pro-bono support). The fundraising focus in 2020/21 has been securing on-going Government grant funding, which was successful with up to £5 million of funding for 2021/22 confirmed in the March 2021 budget, and building a pipeline of private sector income to match the Government grant. Be the Business does not fundraise directly from members of the public.

Financial review

In the year ended 31 March 2021 the Group recognised £8.5 million of Government grant income and £9.4 million of private income of which £7.9 million was pro-bono in kind support, bringing the total recognised pro-bono value over four years to £12.65 million.

To date, the Government has formally agreed funding until March 2022 and we are in positive discussions about funding until March 2025 subject to the outcome of the Comprehensive Spending Review conclusion in late 2021. In addition to seeking further government support, we are focused on diversifying our funding base to increase the number of activities we can support, maintain our long-term viability and reduce the operational risk of being solely dependent on one funder.

The commercial subsidiary had income of £0.4 million and all taxable profits are gifted to the charity under deed of donation. We expect activity through the subsidiary to grow in coming years.

Reserves Policy

The Trustees have established a reserves policy in order to protect the organisation and its programmes from the risk of disruption at short notice due to a lack of funds, whilst ensuring that it does not retain income for longer than required. Given there are also restrictions on the use of government funds for certain types of expenditure, it is necessary for reserves to be built up to a level which will ensure that all liabilities can be met.

In establishing the reserves policy, the Trustees have taken into account the following factors:

- The level of dependency on government funds, restrictions upon their use and the agreed notice periods related to changes in funding levels.
- The pipeline of non-governmental funding sources and level of risk associated with each one.
- The current level of reserves and level of committed costs (in both the normal course of operation and those that would be triggered in the event of a significant change in government funding).
- Current and future levels of activity and related expenditure, together with the associated risks around each one.
- The business plan and financial forecasts.

THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Due to the requirements of our BEIS grant agreement, no Government funds may be used to generate unrestricted reserves. However, the Trustees have determined that a target of £800k in unrestricted reserves is desirable for 2021/22 to mitigate any potential risks. Unrestricted reserves at 31 March 2020 were above target at £1.8 million, increased from £701k in prior year, which trustees have confirmed is appropriate given budget and investment needs for the years ahead. The level of reserves will be formally reviewed again in March 2022, again taking into account factors listed above.

As at 31 March 2021 the charity also holds £252k in restricted funds (2020: £1,138k), which are to be used for specific purposes, as defined by funders.

Risk Management

Be the Business considers good risk management to be a key part of its operational requirements. As such, consideration is given to areas of activity where stakeholders or the reputation of the organisation are potentially vulnerable to adverse actions that could affect:

- operational performance
- achievement of aims and objectives; or
- the meeting of stakeholders' expectations.

In formulating the view of risk, the trustees have specifically considered the following:

- a) **Strategic Management** - The strategy used when defining risk is the action taken to give effect to long-term plans and objectives.
- b) **Talent** – The dependency on key members of staff.
- c) **Safety** - The physical safety and health of our staff and stakeholders.
- d) **Legislative** – Both compliance with current laws and EU regulations and ensuring continued compliance with changes to such legislation.
- e) **Grant Agreements** – Compliance with the terms of the BEIS grant letter is key to ensure continued funding.
- f) **Financial** - The economic and financial effect of each project should be taken into account in planning, monitoring and managing it, along with the overall management of funds.

To manage these risks, a register is maintained and reported to the Trustees and BEIS on an ongoing basis. Periodic monitoring also ensures that systems and procedures are being followed and that new risks are addressed and identified as they arise.

Future Plans and Going Concern

Over the coming year we will continue to scale our existing programmes, working with a range of commercial and delivery partners. We will also continue to approach FTSE 100 CEOs as well as leading entrepreneurs and philanthropists in the coming months, asking them to join the movement and bring their leadership, innovation and resources to the table.

Given the preparatory work which has taken place over the last four years, the initiatives that are currently in progress and the level of funding already committed by government and our commercial partners, the Trustees are confident that the Be the Business movement is in a strong position to have a positive impact on the productivity of UK businesses, and indeed the wider UK economy in the years to come.

Pending confirmation of 2022/23 Government grant funding in the 2021 Comprehensive Spending Review, Trustees have undertaken a review of our financial position, funding discussions, reserves levels and future plans. Based on this review, and taking into account the known implications of Covid-19, Trustees have confidence that the charity remains a going concern for the foreseeable future with positive cashflow and reserves forecast for at least twelve months from the date of signing the accounts.

THE PRODUCTIVITY GROUP (Be the Business)
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' Responsibilities

The trustees (who are also directors of The Productivity Group for the purposes of Company law) are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

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

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

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

In so far as each of the trustees are aware at the time the report is approved:

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

Approved by the Board on 26 October 2021 and signed on its behalf by:



Sir Charlie Mayfield
Chair of Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE PRODUCTIVITY GROUP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE PRODUCTIVITY GROUP

Opinion

We have audited the financial statements of The Productivity Group for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the group and parent charitable company's Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's and parent charitable company's net movement in funds, including the 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE PRODUCTIVITY GROUP

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 2, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the reporting requirements of the Department for Business, Energy & Industrial Strategy (BEIS), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Charities SORP (2019), Companies Act 2006 and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks are related to the valuation of pro bono services and the recognition of grant income. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE PRODUCTIVITY GROUP

- Reviewing the controls and procedures of the charity, particularly in relation to the recording of income and processing of payments and payroll, to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing and testing journal entries made in the year, particularly those made as part of the year end financial reporting process; and
- Challenging assumptions and judgements made by management in their critical accounting estimate being the recognition and valuation of pro bono services.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Thomas Wilson (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
26 October 2021

10 Queen Street Place
London
EC4R 1AG

THE PRODUCTIVITY GROUP (Be the Business)
GROUP STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations and pro-bono support	2	905,000	7,921,015	8,826,015	2,495,348
Charitable activities					
BEIS Grant		-	8,505,007	8,505,007	9,071,376
Other		196	272,466	272,662	2,182
Other Trading Income	16	431,667	-	431,667	333,333
Total Income		1,336,863	16,698,488	18,035,351	11,902,239
Expenditure on:					
Raising funds		-	-	-	
Charitable activities					
Productivity research, programmes & pilots		269,157	17,585,312	17,854,469	10,223,827
Total Expenditure	3	269,157	17,585,312	17,854,469	10,223,827
Net Income/(expenditure)	6	1,067,706	(886,824)	180,882	1,678,412
Net Movement in funds		1,067,706	(886,824)	180,882	1,678,412
Reconciliation of funds					
Total Funds brought forward		700,912	1,138,340	1,839,252	160,840
Total funds carried forward	12	1,768,618	251,516	2,020,134	1,839,252

All the above results are derived from continuing activities. There are no recognised gains or losses other than those stated above. The net expenditure for the charity for the year was £90,687 (2020: net income of £1,557,645). Full comparative figures for the year ended 31 March 2020 are shown in note 18.

The notes on pages 16 to 24 form part of these financial statements.

THE PRODUCTIVITY GROUP (Be the Business)
GROUP BALANCE SHEET
AS AT 31 MARCH 2021

Company number 10754958

	Notes	2021 £	2020 £
Fixed Assets	15	<u>20,106</u>	<u>17,512</u>
Total Fixed Assets		20,106	17,512
Current Assets			
Debtors	10	641,835	209,723
Cash at Bank		<u>2,465,643</u>	<u>1,960,853</u>
Total Current Assets		<u>3,107,478</u>	<u>2,170,576</u>
Liabilities			
Creditors: amounts falling due within one year	11	<u>(1,107,450)</u>	<u>(348,836)</u>
Net Current Assets		<u>2,000,028</u>	<u>1,821,740</u>
Total Assets less current liabilities		<u>2,020,134</u>	<u>1,839,252</u>
Total Net Assets		<u>2,020,134</u>	<u>1,839,252</u>
The funds of the charity:			
Unrestricted funds		1,768,618	700,912
Restricted funds		<u>251,516</u>	<u>1,138,340</u>
Total Charity Funds	13	<u>2,020,134</u>	<u>1,839,252</u>

The notes on pages 16 to 24 form part of these financial statements.

The accounts were approved by the Trustees on 26 October 2021 and signed on their behalf by:



.....
 Sir Charlie Mayfield
 Chair

THE PRODUCTIVITY GROUP (Be the Business)
CHARITY BALANCE SHEET
AS AT 31 MARCH 2021

Company number 10754958

	Notes	2021 £	2020 £
Fixed Assets	15	<u>20,106</u>	<u>17,512</u>
Total Fixed Assets		20,106	17,512
Current Assets			
Debtors	10	933,473	614,876
Cash at Bank		<u>1,981,563</u>	<u>1,555,672</u>
Total Current Assets		2,915,036	2,170,548
Liabilities			
Creditors: amounts falling due within one year	11	<u>(915,008)</u>	<u>(348,808)</u>
Net Current Assets		<u>2,000,028</u>	<u>1,821,740</u>
Total Assets less current liabilities		<u>2,020,134</u>	<u>1,839,252</u>
Total Net Assets		<u>2,020,134</u>	<u>1,839,252</u>
The funds of the charity:			
Unrestricted funds		1,768,618	700,912
Restricted funds		<u>251,516</u>	<u>1,138,340</u>
Total Charity Funds	14	<u>2,020,134</u>	<u>1,839,252</u>

The notes on pages 16 to 24 form part of these financial statements.

The accounts were approved by the Trustees on 26 October 2021 and signed on their behalf by:



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 Sir Charlie Mayfield
 Chair

THE PRODUCTIVITY GROUP (Be the Business)
GROUP STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Cash flows from operating activities	A	517,937	1,180,945
Cash flows from investing activities			
Net purchase of tangible fixed assets		(13,147)	(20,168)
Change in cash and cash equivalents in the period	B	504,790	1,160,777
Cash and cash equivalents at the beginning of the period		<u>1,960,853</u>	<u>800,076</u>
Cash and cash equivalents at the end of the period		<u>2,465,643</u>	<u>1,960,853</u>

A. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2021 £	2020 £
Net Income	180,882	1,678,412
(Increase)/decrease in debtors	(432,112)	6,286
Increase/(decrease) in Creditors	758,614	(509,782)
Depreciation of fixed assets	<u>10,553</u>	<u>6,029</u>
Net Cash provided by operating activities	<u>517,937</u>	<u>1,180,945</u>

B. Analysis of changes in net cash funds	At 1 April 2020 £	Cashflows £	At 31 March 2021 £
Cash in hand	<u>1,960,853</u>	<u>504,790</u>	<u>2,465,643</u>
Total cash and cash equivalents	<u>1,960,853</u>	<u>504,790</u>	<u>2,465,643</u>

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019) applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102. The charity has one subsidiary company, The Productivity Group (Commercial) Limited, registered in England and Wales under company number 10894488. The group accounts include the results of the subsidiary, consolidated on a line by line basis.

General Information

The Productivity Group, trading as Be the Business, was incorporated in England and Wales on 4 May 2017 as a charitable company limited by guarantee (company number 10754958 and a charity registered in England and Wales (charity number 1173660). The registered office address is 10 Queen Street Place, London, England, EC4R 1AG and the charity operates from its principal address at 26-28 Glasshouse Yard, London EC1A 4JU.

Preparation of accounts on a going concern basis

The Trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. Operations have continued successfully through 2021, to the date of signing these accounts, and the review of our financial position, funding discussions, reserves levels and future plans, taking into account the known implications of Covid-19, Trustees have confidence that the charity remains a going concern for the foreseeable future.

Significant judgements and sources of estimation uncertainty

In preparing the financial statements management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies. The trustees consider that the key area of judgement in the accounts is the valuation of pro-bono support.

Pro-bono support is valued at the lower of the value of the donation to the charity and fair value and is recognised on receipt of the support. We are fortunate to receive a wide range of pro-bono support from a large number of sources which is valued on a prudent basis using appropriate estimation techniques. The rate card developed by management for recurring pro bono support is reviewed every six months to test that the valuation assumptions remain appropriate. Material categories of support and the basis for valuation are as follows:

- Programmatic support – includes mentors, advisory board members, sector Steering Group members and others who give their time to facilitate our programmes with SME leaders for free. The support is valued using meeting attendance records or surveys conducted to establish average time commitments, with hourly rates calculated by reference to market rates for the type of support being provided.
- Movement building and campaign support – includes: promotional activity by our partners to help our content and events reach as many SME leaders as possible, including delivery of webinars on the charity's behalf (valued with reference to the size of audience reached and media rate cards); Be the Business Fellows' time, being senior business leaders who work with us to promote the productivity movement and build stakeholder networks (valued based on time sheets and hourly rate for the type of support being provided); pro bono agency support and ad credits (valued based on rates paid by the charity for comparable services).
- Consultancy to support our thought leadership research and programmatic development, valued based on charitable rate cards of the relevant consultancies gifting their time.
- Secondments of staff roles are valued based on the price paid by the charity for comparable roles.
- Office space is valued with reference to market rates taking into account the nature of the organisation, the number of desks and facilities provided.

1. ACCOUNTING POLICIES (continued)

Funds structure

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Designated funds are unrestricted funds earmarked by the Trustees for particular activities or purposes. Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or funder.

Income

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. Expenditure includes attributable VAT which cannot be recovered.

Tangible Fixed Asset and Depreciation

All assets costing more than £500 are capitalised. Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their useful lives.

Computer Equipment 33.3% straight line.

Debtors

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

Creditors

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

Pensions

The charity operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of charity in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the period.

Employee short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the period end rate of exchange. Transactions denominated in foreign currencies are translated at the rates prevailing at the transaction date.

Financial instruments

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

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. DONATIONS & PRO-BONO SUPPORT	2021 £	2020 £
Donations	905,000	600,000
Programmatic Support	3,019,197	1,213,012
Movement building and campaigns	2,155,704	-
Consultancy	2,091,000	114,703
Secondments	156,583	-
Office space	390,000	357,562
Other pro bono	108,531	210,071
	<u>7,921,015</u>	<u>1,895,348</u>
Total	8,826,015	2,495,348

3. ANALYSIS OF EXPENDITURE 2021

	Staff Costs	Direct Costs	Support Costs	Total 2021	Total 2020 (Restated)
	£	£	£	£	£
Movement building and Campaigns	1,260,380	3,863,459	457,563	5,581,402	2,494,376
Programmes and Pilots	1,104,081	6,882,472	383,888	8,370,441	4,915,468
Evaluation Research and Insights	517,981	1,119,467	139,595	1,777,043	1,028,806
Digital tools	601,604	1,357,240	166,739	2,125,583	1,785,177
Total expenditure	<u>3,484,046</u>	<u>13,222,638</u>	<u>1,147,785</u>	<u>17,854,469</u>	<u>10,223,827</u>

ANALYSIS OF EXPENDITURE 2020

	Staff Costs	Direct Costs	Support Costs	Total 2020 (Restated)
	£	£	£	£
Movement building and Campaigns	946,260	881,997	666,119	2,494,376
Programmes and Pilots	1,082,132	3,219,027	614,309	4,915,468
Evaluation Research and Insights	401,287	405,479	222,040	1,028,806
Digital tools	194,316	1,442,835	148,026	1,785,177
Total expenditure	<u>2,623,995</u>	<u>5,949,338</u>	<u>1,650,494</u>	<u>10,223,827</u>

2020 analysis of expenditure restated to reflect current organisational strategy line items. The overall total expenditure is unchanged.

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. SUPPORT COSTS	2021 £	2020 £
Staff related costs	67,050	245,369
Pro Bono Consultancy	120,000	114,703
Consultancy	68,230	400,026
Rent (Office Space – Pro Bono)	390,000	357,563
IT support	66,599	45,946
Professional fees	20,305	121,556
Audit and accountancy	92,056	61,301
Travel	286	110,361
Telephones	10,336	9,733
Human resources	28,202	51,393
Printing	819	7,039
Insurance	7,552	2,210
Bank charges and interest	593	329
Depreciation	10,553	6,029
Other	16,541	10,073
Partnership Costs	-	49,375
Data Strategy & Systems	248,663	57,488
	<u>1,147,785</u>	<u>1,650,494</u>
5. GOVERNANCE COSTS (included above)	2021 £	2020 £
Audit fees	16,940	17,760
	<u>16,940</u>	<u>17,760</u>
6. NET INCOME / EXPENDITURE	2021 £	2020 £
Net income is stated after charging:		
Auditors' remuneration		
Audit services	19,440	14,800
Other services	8,880	4,550
Depreciation	10,553	6,029
7. STAFF COSTS AND NUMBERS	2021 £	2020 £
Salaries and wages	2,853,979	2,140,500
Social security costs	320,341	257,107
Pension costs	299,726	209,388
Secondment and consultancy fees	207,907	686,881
Other staff costs	23,220	52,380
	<u>3,705,173</u>	<u>3,346,256</u>

Included in other staff costs are payments made on termination of £10,000 (2020: £17,000).

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
Average staff numbers (including secondees):		
Movement building and Campaigns	9.8	8.4
Programmes and Pilots	8.2	7.5
Evaluation Research and Insights	3.0	2.7
Digital tools	3.6	1.7
Partnerships	6.8	4.2
Administration staff (including core senior leadership team)	10.3	7.2
	<u>41.8</u>	<u>31.7</u>

Number of employees whose emoluments in the period were:	2021	2020
£60,000 - £69,999	9	6
£70,000 - £79,999	5	3
£80,000 - £89,999	2	1
£90,000 - £99,999	1	1
£100,000 - £109,999	0	1
£110,000 - £119,999	1	-
£120,000 - £130,000	1	-
£140,000 - £150,000	3	-
£250,000 - £260,000	0	1

Total remuneration of the key management personnel of the charity was £994,767 (2020: £887,236).

8. TRUSTEES

No trustees received remuneration from the charity for their services (2020: none). No expenses were reimbursed to trustees in the period. (2020: none)

9. TAXATION

The charity is exempt from corporation tax as all its income is applied for charitable purposes. The charity's trading subsidiary donates to the charity an amount equal to any taxable profits under Gift Aid. Consequently there is no taxation charge for the year (2020: £nil).

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. DEBTORS

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Prepayments	158,522	193,734	158,522	193,734
Debtors	30,000	-	-	-
Sundry debtors	27,090	15,989	27,090	-
Amounts owed by group undertakings	-	-	321,638	421,142
Accrued Income	426,223	-	426,223	-
	<u>641,835</u>	<u>209,723</u>	<u>933,473</u>	<u>614,876</u>

11. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade Creditors	789,674	171,978	789,647	171,951
Sundry Creditors	40,752	32,189	7,537	32,189
Deferred Income	155,000	100,000	-	100,000
Accruals	122,024	44,669	117,824	44,668
	<u>1,107,450</u>	<u>348,836</u>	<u>915,008</u>	<u>348,808</u>

12a. ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP AND CHARITY 2021

	Unrestricted funds	Restricted funds	Total
	£	£	2021
			£
Fixed Assets	-	20,106	20,106
Current Assets	2,030,639	1,076,839	3,107,478
Creditors: amounts falling due within one year	(262,021)	(845,429)	(1,107,450)
Net assets	<u>1,768,618</u>	<u>251,516</u>	<u>2,020,134</u>

12b. ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP AND CHARITY 2020

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted funds £	Restricted funds £	Total 2020 £
Fixed Assets	-	17,512	17,512
Current Assets	800,938	1,369,638	2,170,576
Creditors: amounts falling due within one year	(100,026)	(248,810)	(348,836)
Net assets	700,912	1,138,340	1,839,252

13a. NET MOVEMENT IN FUNDS – GROUP 2021

	At 1 April 2020 £	Income £	Expenditure £	At 31 March 2021 £
Restricted funds				
BEIS	1,088,340	8,505,007	(9,391,831)	201,516
Productivity through People	50,000	-	-	50,000
Innovation UK	-	132,466	(132,466)	-
Other (Pro Bono)	-	7,921,015	(7,921,015)	-
Other (Construction Taskforce)	-	140,000	(140,000)	-
Unrestricted funds				
Charity	623,436	905,196	(109,059)	1,419,573
Subsidiary	77,476	431,667	(160,098)	349,045
Total funds	1,839,252	18,035,351	(17,854,469)	2,020,134

13b. NET MOVEMENT IN FUNDS – GROUP 2020

	At 1 April 2019 £	Income £	Expenditure £	At 31 March 2020 £
Restricted funds				
BEIS	60,107	9,071,377	(8,043,144)	1,088,340
Productivity through People	75,000	-	(25,000)	50,000
Unrestricted funds				
Charity	69,023	602,182	(47,769)	623,436
Subsidiary	(43,291)	333,333	(212,566)	77,476
Total funds	160,839	10,006,892	(8,328,479)	1,839,252

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14a. NET MOVEMENT IN FUNDS – CHARITY 2021

	At 1 April 2020	Income	Expenditure	Gift Aid transfer	At 31 March 2021
	£	£	£	£	£
Restricted funds	1,138,340	16,698,488	(17,585,312)	-	251,516
Unrestricted funds	700,912	905,196	(109,059)	271,569	1,768,618
Total funds	1,839,252	17,603,684	(17,694,371)	271,569	2,020,134

14b. NET MOVEMENT IN FUNDS – CHARITY 2020

	At 1 April 2019	Income	Expenditure	Gift Aid transfer	At 31 March 2020
	£	£	£	£	£
Restricted funds	135,108	10,756,654	(9,753,422)	-	1,138,340
Unrestricted funds	69,023	602,182	(47,769)	77,476	700,912
Total funds	204,131	11,358,836	(9,801,191)	77,476	1,839,252

15. TANGIBLE FIXED ASSETS

	2021 £	2020 £
Cost at 1 April	25,475	5,307
Additions	13,147	22,704
Disposals	-	(2,536)
As at 31 March	38,622	25,475
Depreciation at 1 April	7,963	1,934
Charged in year	10,553	6,029
As at 31 March	18,516	7,963
Net book value at 31 March	20,106	17,512

16. TRADING SUBSIDIARY

The charity owns 100% of the share capital of The Productivity Group (Commercial) Limited, company number 10894488, (registered in England and Wales). The results for the year to 31 March 2021 are shown below.

	2021 £	2020 £
Turnover	431,667	333,333
Administrative costs (including intercompany recharge)	160,098	212,566

THE PRODUCTIVITY GROUP (Be the Business)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Net profit before taxation	271,569	120,767
Loss brought forward	-	(43,291)
Net current assets	271,569	77,476

100% of the trading subsidiary's taxable profits (2021: £271,569, 2020: £77,476) are donated to the parent under the existing deed of covenant.

17. RELATED PARTY TRANSACTIONS

There were no related party transactions in 2021 (2020: £nil).

18. GROUP STATEMENT OF FINANCIAL ACTIVITIES 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Income and endowments from:				
Donations and pro-bono support	2	600,000	1,895,348	2,495,348
Charitable activities				
BEIS Grant		-	9,071,376	9,071,376
Other		2,182	-	2,182
Other Trading Income	16	333,333	-	333,333
Total Income		935,515	10,966,724	11,902,239
Expenditure on:				
Raising funds		-	-	-
Charitable activities				
Productivity research, programmes & pilots		260,335	9,963,492	10,223,827
Total Expenditure	3	260,335	9,963,492	10,223,827
Net Income	6	675,180	1,003,232	1,678,412
Net Movement in funds		675,180	1,003,232	1,678,412
Reconciliation of funds				
Total Funds brought forward		25,732	135,108	160,840
Total funds carried forward	12	700,912	1,138,340	1,839,252

All the above results are derived from continuing activities. There are no recognised gains or losses other than those stated above.