

**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)**  
**CONTENTS**  
**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**

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**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**

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## **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

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TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

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- 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.

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TRUSTEES' REPORT  
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- **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.

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TRUSTEES' REPORT  
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**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**

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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 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**

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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**

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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 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**

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### **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**

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## **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

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- 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](http://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 £
<b>Income and endowments from:</b>					
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
<b>Total Income</b>		<u>1,336,863</u>	<u>16,698,488</u>	<u>18,035,351</u>	<u>11,902,239</u>
<b>Expenditure on:</b>					
Raising funds		-	-	-	
Charitable activities					
Productivity research, programmes & pilots		269,157	17,585,312	17,854,469	10,223,827
<b>Total Expenditure</b>	3	<u>269,157</u>	<u>17,585,312</u>	<u>17,854,469</u>	<u>10,223,827</u>
<b>Net Income/(expenditure)</b>	6	<u>1,067,706</u>	<u>(886,824)</u>	<u>180,882</u>	<u>1,678,412</u>
<b>Net Movement in funds</b>		1,067,706	(886,824)	180,882	1,678,412
<b>Reconciliation of funds</b>					
Total Funds brought forward		700,912	1,138,340	1,839,252	160,840
<b>Total funds carried forward</b>	12	<u>1,768,618</u>	<u>251,516</u>	<u>2,020,134</u>	<u>1,839,252</u>

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.

	Notes	2021 £	2020 £
<b>Fixed Assets</b>	15	20,106	17,512
<b>Total Fixed Assets</b>		20,106	17,512
<b>Current Assets</b>			
Debtors	10	641,835	209,723
Cash at Bank		2,465,643	1,960,853
<b>Total Current Assets</b>		3,107,478	2,170,576
<b>Liabilities</b>			
Creditors: amounts falling due within one year	11	(1,107,450)	(348,836)
<b>Net Current Assets</b>		2,000,028	1,821,740
<b>Total Assets less current liabilities</b>		2,020,134	1,839,252
<b>Total Net Assets</b>		2,020,134	1,839,252
<b>The funds of the charity:</b>			
Unrestricted funds		1,768,618	700,912
Restricted funds		251,516	1,138,340
<b>Total Charity Funds</b>	13	2,020,134	1,839,252

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 £
<b>Fixed Assets</b>	15	<u>20,106</u>	<u>17,512</u>
<b>Total Fixed Assets</b>		20,106	17,512
<b>Current Assets</b>			
Debtors	10	933,473	614,876
Cash at Bank		<u>1,981,563</u>	<u>1,555,672</u>
<b>Total Current Assets</b>		2,915,036	2,170,548
<b>Liabilities</b>			
Creditors: amounts falling due within one year	11	<u>(915,008)</u>	<u>(348,808)</u>
<b>Net Current Assets</b>		<u>2,000,028</u>	<u>1,821,740</u>
<b>Total Assets less current liabilities</b>		<u>2,020,134</u>	<u>1,839,252</u>
<b>Total Net Assets</b>		<u>2,020,134</u>	<u>1,839,252</u>
<b>The funds of the charity:</b>			
Unrestricted funds		1,768,618	700,912
Restricted funds		<u>251,516</u>	<u>1,138,340</u>
<b>Total Charity Funds</b>	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:



.....  
 Sir Charlie Mayfield  
 Chair



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

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>	A	517,937	1,180,945
<b>Cash flows from investing activities</b>			
Net purchase of tangible fixed assets		(13,147)	(20,168)
<b>Change in cash and cash equivalents in the period</b>	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>
<b>Cash and cash equivalents at the end of the period</b>		<u>2,465,643</u>	<u>1,960,853</u>

<b>A. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>	2021 £	2020 £
<b>Net Income</b>	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>
<b>Net Cash provided by operating activities</b>	<u>517,937</u>	<u>1,180,945</u>

<b>B. Analysis of changes in net cash funds</b>	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>
<b>Total cash and cash equivalents</b>	<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**

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**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**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
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	<u>8,826,015</u>	<u>2,495,348</u>

**3. ANALYSIS OF EXPENDITURE 2021**

	<b>Staff</b> <b>Costs</b>	<b>Direct</b> <b>Costs</b>	<b>Support</b> <b>Costs</b>	<b>Total</b> <b>2021</b>	<b>Total</b> <b>2020</b> <b>(Restated)</b>
	£	£	£	£	£
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
<b>Total expenditure</b>	<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**

	<b>Staff</b> <b>Costs</b>	<b>Direct</b> <b>Costs</b>	<b>Support</b> <b>Costs</b>	<b>Total</b> <b>2020</b> <b>(Restated)</b>
	£	£	£	£
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
<b>Total expenditure</b>	<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**

<b>4. SUPPORT COSTS</b>	<b>2021 £</b>	<b>2020 £</b>
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>
<b>5. GOVERNANCE COSTS (included above)</b>	<b>2021 £</b>	<b>2020 £</b>
Audit fees	16,940	17,760
	<u>16,940</u>	<u>17,760</u>
<b>6. NET INCOME / EXPENDITURE</b>	<b>2021 £</b>	<b>2020 £</b>
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
<b>7. STAFF COSTS AND NUMBERS</b>	<b>2021 £</b>	<b>2020 £</b>
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**

	<b>2021</b>	<b>2020</b>
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:	<b>2021</b>	<b>2020</b>
£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**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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**

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>2021</b>
			<b>£</b>
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)
<b>Net assets</b>	<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**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2020 £</b>
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)
<b>Net assets</b>	<b>700,912</b>	<b>1,138,340</b>	<b>1,839,252</b>

**13a. NET MOVEMENT IN FUNDS – GROUP 2021**

	<b>At 1 April 2020 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>At 31 March 2021 £</b>
<b>Restricted funds</b>				
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)	-
<b>Unrestricted funds</b>				
Charity	623,436	905,196	(109,059)	1,419,573
Subsidiary	77,476	431,667	(160,098)	349,045
<b>Total funds</b>	<b>1,839,252</b>	<b>18,035,351</b>	<b>(17,854,469)</b>	<b>2,020,134</b>

**13b. NET MOVEMENT IN FUNDS – GROUP 2020**

	<b>At 1 April 2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>At 31 March 2020 £</b>
<b>Restricted funds</b>				
BEIS	60,107	9,071,377	(8,043,144)	1,088,340
Productivity through People	75,000	-	(25,000)	50,000
<b>Unrestricted funds</b>				
Charity	69,023	602,182	(47,769)	623,436
Subsidiary	(43,291)	333,333	(212,566)	77,476
<b>Total funds</b>	<b>160,839</b>	<b>10,006,892</b>	<b>(8,328,479)</b>	<b>1,839,252</b>



**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
<b>Total funds</b>	<b>1,839,252</b>	<b>17,603,684</b>	<b>(17,694,371)</b>	<b>271,569</b>	<b>2,020,134</b>

**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
<b>Total funds</b>	<b>204,131</b>	<b>11,358,836</b>	<b>(9,801,191)</b>	<b>77,476</b>	<b>1,839,252</b>

**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
<b>Net book value at 31 March</b>	<b>20,106</b>	<b>17,512</b>

**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**

<b>Net profit before taxation</b>	271,569	120,767
Loss brought forward	-	(43,291)
<b>Net current assets</b>	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 £
<b>Income and endowments from:</b>				
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
<b>Total Income</b>		935,515	10,966,724	11,902,239
<b>Expenditure on:</b>				
Raising funds		-	-	-
Charitable activities				
Productivity research, programmes & pilots		260,335	9,963,492	10,223,827
<b>Total Expenditure</b>	3	260,335	9,963,492	10,223,827
<b>Net Income</b>	6	675,180	1,003,232	1,678,412
<b>Net Movement in funds</b>		675,180	1,003,232	1,678,412
<b>Reconciliation of funds</b>				
Total Funds brought forward		25,732	135,108	160,840
<b>Total funds carried forward</b>	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.