

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

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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 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**

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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 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.

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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-

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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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

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*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

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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.



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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.

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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.

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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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 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**

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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 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**

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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.

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](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

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 £
<b>Income and endowments from:</b>					
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
<b>Total Income</b>		<b>1,536,493</b>	<b>11,718,709</b>	<b>13,255,202</b>	<b>18,035,351</b>
<b>Expenditure on:</b>					
Charitable activities		1,259,133	10,369,382	11,628,515	17,854,469
<b>Total Expenditure</b>	4	<b>1,259,133</b>	<b>10,369,382</b>	<b>11,628,515</b>	<b>17,854,469</b>
<b>Net Income</b>	7	<b>277,360</b>	<b>1,349,327</b>	<b>1,626,687</b>	<b>180,882</b>
<b>Net Movement in funds</b>		<b>277,360</b>	<b>1,349,327</b>	<b>1,626,687</b>	<b>180,882</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,768,618	251,516	2,020,134	1,839,252
<b>Total funds carried forward</b>	13	<b>2,045,978</b>	<b>1,600,843</b>	<b>3,646,821</b>	<b>2,020,134</b>

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 £
<b>Fixed Assets</b>	16	21,717	20,106
<b>Total Fixed Assets</b>		<u>21,717</u>	<u>20,106</u>
<b>Current Assets</b>			
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
<b>Total Current Assets</b>		<u>4,730,800</u>	<u>3,107,478</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	12	<u>(1,105,696)</u>	<u>(1,107,450)</u>
<b>Net Current Assets</b>		<u>3,625,104</u>	<u>2,000,028</u>
<b>Total Assets less current liabilities</b>		<u>3,646,821</u>	<u>2,020,134</u>
<b>Total Net Assets</b>		<u><b>3,646,821</b></u>	<u><b>2,020,134</b></u>
<b>The funds of the charity:</b>			
Unrestricted funds		2,045,978	1,768,618
Restricted funds		1,600,843	251,516
<b>Total Group Funds</b>		<u><b>3,646,821</b></u>	<u><b>2,020,134</b></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 £
<b>Fixed Assets</b>	16	21,717	20,106
<b>Total Fixed Assets</b>		<u>21,717</u>	<u>20,106</u>
<b>Current Assets</b>			
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
<b>Total Current Assets</b>		<u>4,663,616</u>	<u>2,915,036</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	12	<u>(1,038,512)</u>	<u>(915,008)</u>
<b>Net Current Assets</b>		<u>3,625,104</u>	<u>2,000,028</u>
<b>Total Assets less current liabilities</b>		<u>3,646,821</u>	<u>2,020,134</u>
<b>Total Net Assets</b>		<u><b>3,646,821</b></u>	<u><b>2,020,134</b></u>
<b>The funds of the charity:</b>			
Unrestricted funds		2,045,978	1,768,618
Restricted funds		1,600,843	251,516
<b>Total Charity Funds</b>		<u><b>3,646,821</b></u>	<u><b>2,020,134</b></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 £
<b>Cash flows from operating activities</b>	A	1,108,867	517,937
<b>Cash flows from investing activities</b>			
Net purchase of tangible fixed assets		(14,207)	(13,147)
<b>Change in cash and cash equivalents in the period</b>	B	1,094,660	504,790
Cash and cash equivalents at the beginning of the period		2,465,643	1,960,853
<b>Cash and cash equivalents at the end of the period</b>		3,560,303	2,465,643

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

	2022 £	2021 £
<b>Net Income</b>	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
<b>Net Cash provided by operating activities</b>	1,108,867	517,937

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

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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 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**

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**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**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
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
<b>Total pro-bono</b>	<b>5,121,907</b>	<b>7,921,015</b>
<b>Total donations &amp; pro-bono support</b>	<b>5,968,907</b>	<b>8,826,015</b>

**3. OTHER TRADING INCOME**

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

**4. ANALYSIS OF EXPENDITURE 2022**

	<b>Staff costs</b>	<b>Direct costs</b>	<b>Support costs</b>	<b>Total 2022</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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
<b>Total expenditure</b>	<b>2,891,558</b>	<b>7,869,160</b>	<b>867,797</b>	<b>11,628,515</b>	<b>17,854,469</b>

**ANALYSIS OF EXPENDITURE 2021**

	<b>Staff costs</b>	<b>Direct costs</b>	<b>Support costs</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</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>	<b>3,484,046</b>	<b>13,222,638</b>	<b>1,147,785</b>	<b>17,854,469</b>	<b>10,223,827</b>

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

<b>5. SUPPORT COSTS</b>	<b>2022 £</b>	<b>2021 £</b>
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>
<b>6. GOVERNANCE COSTS (included above)</b>	<b>2022 £</b>	<b>2021 £</b>
Audit fees	17,800	16,940
	<u>17,800</u>	<u>16,940</u>
<b>7. NET INCOME / EXPENDITURE</b>	<b>2022 £</b>	<b>2021 £</b>
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
<b>8. STAFF COSTS AND NUMBERS</b>	<b>2022 £</b>	<b>2021 £</b>
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**

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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)
<b>Net assets</b>	<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**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</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>



**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)	-
<b>Total funds</b>	<b>2,020,134</b>	<b>13,255,202</b>	<b>(11,628,515)</b>	<b>3,646,821</b>

**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
<b>Total funds</b>	<b>1,839,252</b>	<b>18,035,351</b>	<b>(17,854,469)</b>	<b>2,020,134</b>

**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
<b>Total funds</b>	<b>2,020,134</b>	<b>12,653,352</b>	<b>(11,438,311)</b>	<b>411,646</b>	<b>3,646,821</b>

**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**

	<b>At 1 April 2020 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gift Aid transfer £</b>	<b>At 31 March 2021 £</b>
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>

**16. TANGIBLE FIXED ASSETS – CHARITY AND GROUP**

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

**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.

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

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**

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**19. GROUP STATEMENT OF FINANCIAL ACTIVITIES 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £
<b>Income and endowments from:</b>				
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
<b>Total Income</b>		<b>1,336,863</b>	<b>16,698,488</b>	<b>18,035,351</b>
<b>Expenditure on:</b>				
Raising funds		-	-	-
Charitable activities		269,157	17,585,312	17,854,469
<b>Total Expenditure</b>	4	<b>269,157</b>	<b>17,585,312</b>	<b>17,854,469</b>
<b>Net Income/(Expenditure)</b>	7	<b>1,067,706</b>	<b>(886,824)</b>	<b>180,882</b>
<b>Net Movement in funds</b>		<b>1,067,706</b>	<b>(886,824)</b>	<b>180,882</b>
<b>Reconciliation of funds</b>				
Total funds brought forward		700,912	1,138,340	1,839,252
<b>Total funds carried forward</b>		<b>1,768,618</b>	<b>251,516</b>	<b>2,020,134</b>

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