

**THE PRODUCTIVITY GROUP**  
**Trading as Be the Business**

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

Registered charity number: 1173660  
Registered company number: 10754958

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

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

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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**

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

**Bankers**

Lloyds Bank  
39 Threadneedle Street  
London EC2R 8AU

**Auditors**

Haysmacintyre LLP  
10 Queen Street Place  
London EC4R 1AG

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

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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 year to 31 March 2023.

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

**Objectives and activities**

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

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

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

In the wake of persistent strong economic headwinds. Recent research shows that the average worker would be £11,000 per annum better off had the UK continued its pre-2008 productivity trend<sup>1</sup>. In this context, Be the Business's mission has never been more important. By improving the performance of small business leaders, we improve the UK's position overall, and everyone benefits.

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

- Improved leadership and management skills
- Successful technology adoption

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

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

We connect business leaders to curated expertise through:

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

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

**Achievements and performance**

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

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

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

*Movement building and campaigns*

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

- We estimate, based on our evaluation models, that there was an aggregate £463m<sup>2</sup> productivity uplift for businesses that participated in Be the Business interventions.
- 5,137 individuals from firms across different sectors and regions participated in one of our face-to-face leadership and management programmes.
- Over 1.6m unique users visited our website to access information about business support as well as tools and guides to help business leaders.

*Our partnerships*

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

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

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

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

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

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

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*Our campaigns*

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

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

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

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

*Media partners*

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

*Anthony Impey Sales Navigator*

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

*Inspiring Greater Productivity*

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

*100 Small Businesses*

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

*Our newsletters*

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

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

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Events

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

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

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

*Insights Live series – launched September 2022 and ongoing*

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

*Productive Business Index Edition 5 Roundtables – October 2022*

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

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

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

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

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

*Labour Party Breakfast – March 2023*

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

*Magic of Mentoring – March 2023*

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

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

*Programmes and pilots*

Our programmes continue to receive very positive feedback from participants.

*Be the Business Mentoring*

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

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

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

*Be the Business Boards*

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

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

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



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

*Spark Sessions*

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

*Digital Incites*

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

*Power Up*

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

*Evaluation, Research and Insights*

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

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

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

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

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

**Financial review**

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

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

**Structure, governance and management**

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

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

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

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

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

**Remuneration**

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

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

*Induction and training of Trustees*

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

*How the charity makes decisions*

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

*Fundraising approach*

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

*Reserves Policy*

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

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

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

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

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

*Risk Management*

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

- operational performance
- achievement of aims and objectives; or

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- the meeting of stakeholders' expectations.

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

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

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

*Future Plans and Going Concern*

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

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

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

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

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**Statement of Trustees' Responsibilities**

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

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

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

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

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

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

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

Approved by the Board on 04/10/2023

and signed on its behalf by:



Sir Charlie Mayfield  
Chair of Trustees

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

**Opinion**

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

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

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

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

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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



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

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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

10 Queen Street Place  
London  
EC4R 1AG

Date: 06/10/23

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

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
<b>Income and endowments from:</b>					
Donations and pro-bono support	2	50,675	4,858,859	4,909,534	5,968,907
Charitable activities:					
BEIS Grant		-	4,841,251	4,841,251	4,930,042
Other		15,355	868,431	883,786	1,667,278
Other Trading Income	3	575,342	-	575,342	688,975
<b>Total Income</b>		<b>641,372</b>	<b>10,568,541</b>	<b>11,209,913</b>	<b>13,255,202</b>
<b>Expenditure on:</b>					
Charitable activities		770,338	10,152,365	10,922,703	11,628,515
<b>Total Expenditure</b>	4	<b>770,338</b>	<b>10,152,365</b>	<b>10,922,703</b>	<b>11,628,515</b>
<b>Net (Expenditure)/ Income</b>	7	<b>(128,966)</b>	<b>416,176</b>	<b>287,210</b>	<b>1,626,687</b>
<b>Net Movement in funds</b>		<b>(128,966)</b>	<b>416,176</b>	<b>287,210</b>	<b>1,626,687</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		2,045,978	1,600,843	3,646,821	2,020,134
<b>Total funds carried forward</b>	13	<b>1,917,012</b>	<b>2,017,019</b>	<b>3,934,031</b>	<b>3,646,821</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 £287,210 (2022: net income of £1,626,687). Full comparative figures for the year ended 31 March 2022 are shown in note 19.

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

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

**Company number 10754958**

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

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

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

and signed on their behalf

by:



.....  
 Sir Charlie Mayfield  
 Chair

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

**Company number 10754958**

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

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

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



.....  
 Sir Charlie Mayfield  
 Chair

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

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

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

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

## **1. ACCOUNTING POLICIES**

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

### **Basis of accounting**

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

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

### **General Information**

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

### **Preparation of accounts on a going concern basis**

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

### **Significant judgements and sources of estimation uncertainty**

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

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

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

## **1. ACCOUNTING POLICIES (continued)**

### **Funds structure**

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

### **Income**

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

### **Expenditure**

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

### **Tangible Fixed Asset and Depreciation**

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

Computer Equipment 33.3% straight line.

### **Debtors**

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

### **Creditors**

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

### **Pensions**

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

### **Employee short term benefits**

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

### **Foreign exchange**

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

### **Financial instruments**

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

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

<b>2. DONATIONS &amp; PRO-BONO SUPPORT</b>	<b>2023</b>	<b>2022</b>			
	<b>£</b>	<b>£</b>			
Donations	50,675	847,000			
Programmatic Support	4,435,215	4,111,480			
Movement building and campaigns	23,897	584,015			
Consultancy	4,827	5,400			
Secondments	-	22,917			
Office space	390,000	390,000			
Other pro-bono	4,920	8,095			
Total pro-bono	4,858,859	5,121,907			
Total donations & pro-bono support	4,909,534	5,968,907			
<b>3. OTHER TRADING INCOME</b>	<b>2023</b>	<b>2022</b>			
	<b>£</b>	<b>£</b>			
Sponsorship income	-	155,000			
Primary purpose trading	111,875	85,625			
Commercial trading	463,467	466,850			
Other income	-	1,500			
Total other income	575,342	688,975			
<b>4. ANALYSIS OF EXPENDITURE 2023</b>	<b>Staff costs</b>	<b>Direct costs</b>	<b>Support costs</b>	<b>Total 2023</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Movement building and Campaigns	1,023,521	1,345,618	276,495	2,645,634	2,785,985
Programmes and Pilots	866,341	5,051,889	284,035	6,202,265	6,045,884
Evaluation Research and Insights	420,616	341,797	60,326	822,739	1,206,828
Digital tools	688,428	387,686	175,951	1,252,065	1,589,818
<b>Total expenditure</b>	<b>2,998,906</b>	<b>7,126,990</b>	<b>796,807</b>	<b>10,922,703</b>	<b>11,628,515</b>
<b>ANALYSIS OF EXPENDITURE 2022</b>	<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>



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

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

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

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

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

Number of employees whose emoluments in the period were:

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

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

## 9. TRUSTEES

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

## 10. TAXATION

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

## 11. DEBTORS

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

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

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**12. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR**

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

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

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

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

	<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>

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**14. NET MOVEMENT IN FUNDS – GROUP 2023**

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

**14b. NET MOVEMENT IN FUNDS – GROUP 2022**

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

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**15a. ET MOVEMENT IN FUNDS – CHARITY 2023**

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

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

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

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

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

**18. RELATED PARTY TRANSACTIONS**

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

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**19. GROUP STATEMENT OF FINANCIAL ACTIVITIES 2022**

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

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