

THE PRODUCTIVITY GROUP
Trading as Be the Business

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Registered charity number: 1173660
Registered company number: 10754958

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

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

Company registration number

10754958

Charity registration number

1173660

Registered office

10 Queen Street Place
London
EC4R 1AG

Trustees

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

Key management personnel

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

Bankers

Lloyds Bank
39 Threadneedle Street
London EC2R 8AU

Auditors

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

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

Introduction

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

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

Our objective

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

Our purpose

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

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

Significant activities

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

Strategy

Our strategy consists of the following elements:

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

Compliance

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

Why do we care so much about small business productivity?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A note from our Chief Executive, Anthony Impey

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

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

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

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

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

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

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

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

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

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

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

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

Our values

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

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

Our strategy

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

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

Achievements

2023/24 at a glance

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

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

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

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

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

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

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Financial review

Income

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

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

Expenditure

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

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

Commercial Trading subsidiary

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

Structure, governance and management

Structure

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

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

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

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

Remuneration

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

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

Induction and training of Trustees

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

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How the charity makes decisions

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

Fundraising approach

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

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

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

Reserves Policy

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

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

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

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

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

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

Risk Management

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

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

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

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

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

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

Future plans and going concern

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

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

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

Going concern

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

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Statement of Trustees' Responsibilities

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

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

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

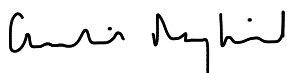
The trustees are responsible for keeping adequate accounting records that are disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for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

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

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

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

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



Sir Charlie Mayfield
Chair of Trustees

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

Opinion

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

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

Use of our report

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



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

10 Queen Street Place
London
EC4R 1AG

Date: 29/10/2024

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

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

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

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

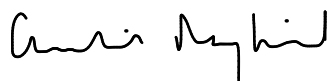
The notes on pages 19 to 27 form part of these financial statements.

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

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

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

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



.....
 Sir Charlie Mayfield
 Chair

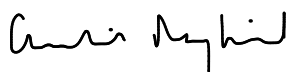
THE PRODUCTIVITY GROUP (Be the Business)
CHARITY BALANCE SHEET
AS AT 31 MARCH 2024

Company number 10754958

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

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

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



.....
 Sir Charlie Mayfield
 Chair

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

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

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

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

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

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

1. ACCOUNTING POLICIES

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

Basis of accounting

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

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

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

General Information

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

Preparation of accounts on a going concern basis

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

Significant judgements and sources of estimation uncertainty

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

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

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

1. ACCOUNTING POLICIES (continued)

Funds structure

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

Income

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

Expenditure

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

Tangible Fixed Asset and Depreciation

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

Computer Equipment 33.3% straight line.

Debtors

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

Creditors

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

Pensions

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

Employee short term benefits

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

Foreign exchange

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

Financial instruments

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

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

2. DONATIONS & PRO-BONO SUPPORT

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

3. OTHER TRADING INCOME

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

4. ANALYSIS OF EXPENDITURE 2024

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

ANALYSIS OF EXPENDITURE 2023

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

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

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

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

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

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

Number of employees whose emoluments in the period were:

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

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

9. TRUSTEES

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

10. TAXATION

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

11. TANGIBLE FIXED ASSETS – CHARITY AND GROUP

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

12. DEBTORS

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

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

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

13. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

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

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

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

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

15. NET MOVEMENT IN FUNDS – GROUP 2024

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

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

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

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

15b. NET MOVEMENT IN FUNDS – GROUP 2023

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

16a. NET MOVEMENT IN FUNDS – CHARITY 2024

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

17. TRADING SUBSIDIARY

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

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

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

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

18. RELATED PARTY TRANSACTIONS

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

19. GROUP STATEMENT OF FINANCIAL ACTIVITIES 2023

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

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