



The Prince's
Responsible
Business Network



Annual Report 2018

ONWARDS AND UPWARDS

2017/2018



The directors of Business in the Community present their Annual Report for the year ended 30 June 2018, which incorporates within pages 6 - 66 a strategic report under the Charities Act 2011, the Companies Act 2006 and the Charities and Trustees Investment (Scotland) Act 2005 and related regulations.

ANNUAL REPORT 2017/18

TABLE OF CONTENTS

4	THANKS TO OUR ROYAL FOUNDING PATRON
5	A MESSAGE FROM THE CHAIR
6 - 7	STRATEGIC OVERVIEW
8 - 11	WHO WE ARE AND WHAT WE DO
12 - 25	PEOPLE
26 - 33	ENVIRONMENT
34 - 39	PLACE
40 - 43	IMPACT
44 - 57	AROUND THE UK AND THE WORLD
58 - 59	OUR ORGANISATION AND PEOPLE
60 - 66	FINANCIAL REVIEW
	 FINANCIAL STATEMENTS
67 - 69	INDEPENDENT AUDITORS REPORT
70	STATEMENT OF FINANCIAL ACTIVITIES
71	BALANCE SHEET
72	CASH FLOW STATEMENT
73 - 91	NOTES TO THE ACCOUNTS
92 - 95	GOVERNANCE

THANKS TO OUR ROYAL FOUNDING PATRON & RESPONSIBLE BUSINESS AMBASSADORS

The Prince of Wales' charities work to transform lives and build sustainable communities. For over 40 years, His Royal Highness The Prince of Wales has been a leader in identifying charitable need and setting up and driving forward charities to meet it. Business in the Community is one of only eight charities of which HRH The Prince of Wales is Royal Founding Patron.

We would like to thank HRH The Prince of Wales for his support this year as our Royal Founding Patron.

We would also like to thank The Prince's Responsible Business Ambassadors. The Prince's Responsible Business Ambassadors are chosen for their leadership in transforming their own businesses and empowering other organisations to act. In their three-year role, they promote the responsible business agenda in their country or region, engaging the local business community around key social issues.

The Prince's Responsible Business Ambassador: National

Dame Vivian Hunt

Managing Partner, UK and Ireland, McKinsey & Company

The Prince's Responsible Business Ambassador: East Midlands

Andy Lyon

Partner, PwC

The Prince's Responsible Business Ambassador: South East

Frank Nigriello

Director of Corporate Affairs, Unipart

The Prince's Responsible Business Ambassador: East of England

Peter Simpson

Managing Director, AWS & Chief Executive, Anglian Water Group

The Prince's Responsible Business Ambassador: North West

Sarah Dunning OBE

Chief Executive, Westmorland

The Prince's Responsible Business Ambassador: Yorkshire and Humber

Richard Flint BA(Hons) MSc

Chief Executive, Yorkshire Water and Kelda Group

The Prince's Responsible Business Ambassador: West Midlands

Simon Jonsson

Partner, KPMG

The Prince's Responsible Business Ambassador: North East

Heidi Mottram CBE

Chief Executive Officer, Northumbrian Water Group

The Prince's Responsible Business Ambassador: Wales

Chris Nott OBE

Partner, Capital Law LLP

The Prince's Responsible Business Ambassador: Scotland

Ray Riddoch

Managing Director UK & SVP Europe, Nexen Petroleum UK Limited

The Prince's Responsible Business Ambassador: South West

Rick Sturge

Executive Vice President Sales & Marketing, Firstsource Solutions UK Ltd

We would also like to thank the Chairs and members of our Leadership Teams for all their hard work and commitment to championing responsible business.



MESSAGE FROM OUR CHAIR

I was so pleased to become the chair of Business in the Community (BITC) at the start of this year. I have always believed in BITC's core message that the health and prosperity of business and communities are inextricably linked. What I didn't know until this year is how much that view chimed with the British public. Through a series of focus groups, we learned that people are not very familiar with BITC – unsurprising, since we focus on the world of business. But when they heard what we do to direct the power of business, the public overwhelmingly agreed that we were on the right path: they were hungry to learn why they could trust business. They needed more from us, not less.

I am convinced that BITC's strength lies in its role as a convener. Together, we are so much more than the sum of our parts.

It is this principle which underpins the ongoing work of our Digital Champions Network, a collection of businesses fighting to make sure that the digital revolution is inclusive, not exclusive. It is this idea which has been at the heart of our preparations for the Waste to Wealth summit: from a roundtable in a Cumbrian paper mill to the Circular Office, we have driven home the message that changing our destructive relationship with the world's resource is far too big a task for one company to tackle on its own.

It was also the message which rang out loud and clear at the Royal Albert Hall this July. Standing on the stage of one of the most iconic venues in the UK, I was overwhelmed by the number of companies which pledged their support to follow the example of Anglian Water and answer the question 'Where is your Wisbech?'.

By helping businesses to draw together powerful groups of local stakeholders, we can make sure that the support for the community is stronger and focused on those areas which need it the most. We have already seen incredible progress in Wisbech and Blackpool and I know that the new Place Leadership Team – led by Steve Rowe – will keep up the pace of progress by working together to create solutions.



Jeremy Darroch
Group Chief Executive, Sky
Chairman,
Business in the Community

**After a year as your Chair,
I have come to see
Business in the Community
as a truly unique force in
our society. We should be
louder and prouder of our
achievements – and more
ambitious than ever.**

On a personal note, I would like to thank the Board for their tireless enthusiasm and energy; in my first year as chair, they have been an invaluable source of support. I would also like to thank the whole team at BITC for the fantastic achievements they have made and for making me feel so welcome.

I look forward to another year of being challenged, inspired and motivated to keep pushing the responsible business agenda to new heights. I hope you will all join me.

A handwritten signature in black ink, appearing to read "Jeremy Darroch". Below the signature is a simple horizontal line.

MESSAGE FROM OUR CHIEF EXECUTIVE

There are few jobs which could take a person from dashing to the Scilly Isles at a few days' notice to chair a meeting about sustainability, to trading statistics with the Prime Minister as we helped her to launch the Race at Work Charter. It has sometimes seemed that each week we have been able to tell new faces even more incredible stories about the work you have been doing.

Alongside our campaigning work, the year has also seen some changes to our organisation. In July, we launched a new brand, keeping vital elements of our history – like our description as The Prince's Responsible Business Network – but updating our look and language to fit the future of responsible business. So far, it has been extremely well-received. On a sadder note, The Prince's Countryside Fund began to report to The Prince's Charitable Foundation but, luckily for us, they did not go far; they still have a home at Shepherdess Walk.

There are more subtle changes too. Shifts in our culture and our ways of working. Self-improvement is a hard job and BITC has taken it on courageously. Every day, we ask ourselves what we can do to be stronger, bolder and more sustainable.

We know that our organisation must evolve. We need to make sure that our understanding of what responsible business means and how we can best support companies keeps pace with our changing world.

Last year, I said to you that the argument for Business in the Community being the business-led response to the fractures in our society was undeniable. In an environment which has only grown more financially challenging to our members and to ourselves, those fractures seem to be more clearly defined every day. Over the last twelve months, we have worked hard to ensure that we are up to the challenge of being that business-led response.

18 months into the BITC at 40 strategy, we have asked ourselves and others: 'what does UK businesses and communities need from us for the next four decades?'.

The Responsible Business Map, launched at our 2017 AGM, is part of the answer to that question. The guide which helps business to understand the complexities of responsible business, it shows that all of the issues facing our communities today are interlinked and cannot be fixed separately. Solutions are not made in a vacuum.

A second piece of the puzzle is our Responsible Business Tracker, which helps businesses to understand how good they are at following the map. The Tracker is set to be the definitive benchmark for companies across the UK. After speaking to over 200 companies, we created a mechanism which is far less about competition and more about helping a business to really understand their own progress.

With thousands of unique journeys through the Tracker, it is set to become a precision tool, not a blunt ranking system. And because we like to build on the brilliant work that other people do rather than duplicating it, we have aligned it to the UN's Global Goals: once combined with our campaign team's work, we stand a better chance than ever of meeting the UN's deadline of 2030.

**Together, we go further
and faster. That is why
I am so grateful to
all the leaders in our
membership who root our
work in the reality of their
businesses.**

Together, you raise a powerful, collective voice which needs to be heard. We simply could not do what we do without you. You really do make it what it is and make us who we are.

The rest of this report traces the path of our map. Each new learning or success is part of a much, much bigger story, from the detailed research we have done on gender, race and mental health, to the resource revolution we are starting in key sectors or the 700 young people we have helped into jobs in 38 places around the globe.

I hope you are as proud of BITC's achievements in 2017/18 as I am; our path this year may not have always been the easiest, but I feel that every day we get a step closer to being the irresistible organisation that I know we can be. As the home of responsible business in the UK, we need to keep pushing business to think more deeply and act more often. Here's to you: onwards and upwards!



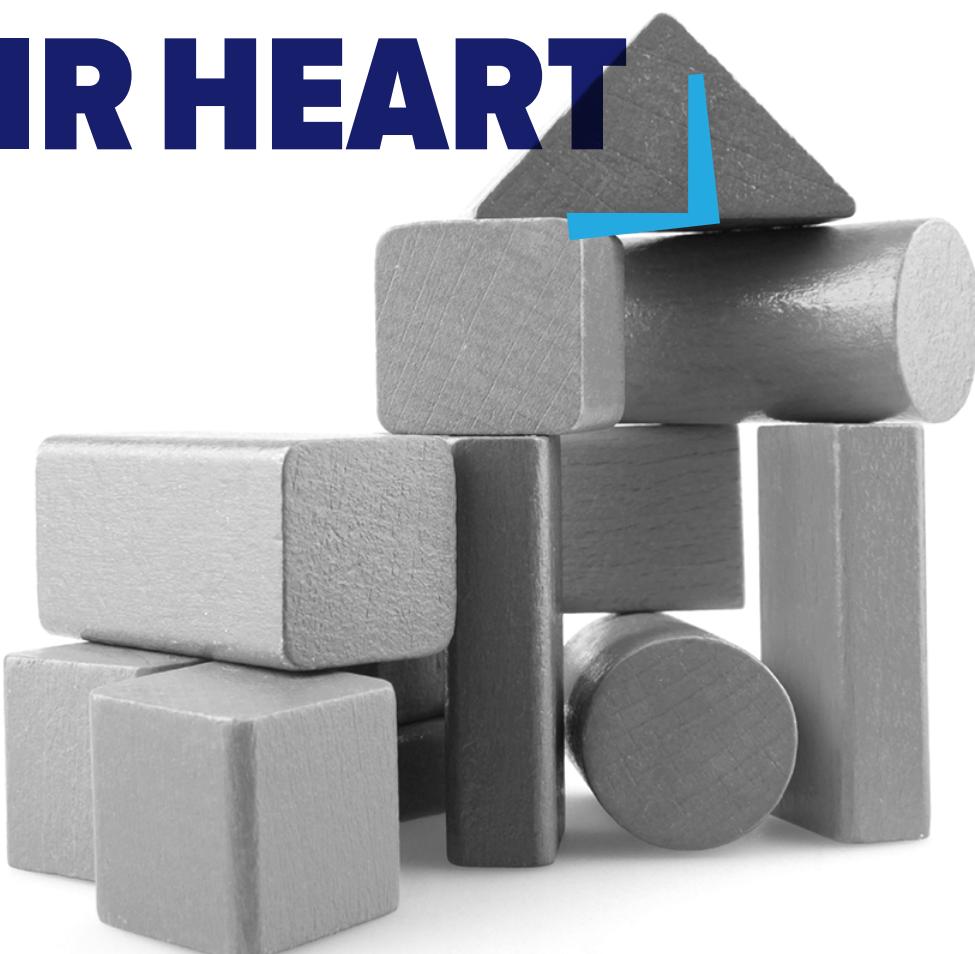
**Amanda Mackenzie,
Chief Executive,
Business in the Community**

Amanda Mackenzie
_____.
_____.



WHO WE ARE

**WE EXIST TO
BUILD HEALTHY
COMMUNITIES
WITH SUCCESSFUL
BUSINESSES AT
THEIR HEART**



OUR PURPOSE

Business in the Community exists to build healthy communities with successful businesses at their heart.

We are The Prince's Responsible Business Network: a business-led membership organisation for organisations which want to publicly demonstrate their commitment to acting responsibly and invest in building a better society. Many of the FTSE 100 are active members and we reach hundreds more employers through our range of campaigns.

Business in the Community was born on the back of the Toxteth and Brixton race riots in 1981. At a time of rising inequality, business leaders got together and understood that to have healthy high streets, they needed to create healthy back streets; that the success of business and society were inextricably linked. Their response recognised that by working together, sharing learnings and collaborating, so much more could be achieved for both businesses and the communities, and this thinking remains true today.



In the last 35+ years businesses have done a lot. Approaches have evolved and become more sophisticated. Now, however, the time is right to challenge business further to do more: to be more strategic, more collaborative and to focus on the toughest places.

We need a strong, business-led response to take ownership of the challenges ahead – including social inequality, carbon emissions, skills gaps and changing demographics – and act responsibly to protect the environment and sustain the health of our communities around the country. Business in the Community is that business-led response.

OUR VISION

If every individual business strives to be the best they can be in all areas as a responsible business, there will be a positive multiplier effect, benefitting society, the economy and the environment. And if businesses collaborate, they can successfully tackle issues that they could not address by acting alone. This can mean sometimes addressing issues that are beyond your organisation's immediate interests, but which will build the UK's prosperity and sustain growth in the long term. That's why we ask our members to do two things.

1

Be the best you can be in all areas as a responsible business

Embark on a journey of continuous improvement that delivers social, environmental and economic sustainability – and measure and report on your performance.

2

Work with others to bring your collective strength as a force for good

Collaborate with other businesses in the network – as well as local community leaders, charities, voluntary groups, schools and public sector organisations - and invest in building a better society.

OUR MEMBERS AND LEADERS

The combined knowledge and power of our members is key to the success and growth of our UK-wide network of responsible businesses. Thank you to all our members for their work and support over the past year.

We would particularly like to acknowledge the significant contributions of our Responsible Businesses of the Year:

Responsible Business of the Year:

Lloyds Banking Group



Small Responsible Business of the Year:

Salary Finance



We also welcome our 78 new members who have joined this year:

- 10x Banking
- AAT
- ABP Food Group
- Active Fleet Solutions
- Airtanker Ltd
- Applegreen
- Ardmac
- Armagh Banbridge Craigavon Borough Council
- Arriva
- AXIS Capital Holdings
- Barkers & Co LLP
- Bazaarvoice
- BCS Consulting
- Beaverbrooks the Jewellers
- BigChange
- Burger King
- Carnival
- Ciena
- CME Group
- Council for Licensed Conveyancers
- Covéa Insurance
- Coventry Building Society
- Coventry University
- Cunningham Lindsey/Sedgwick
- Custerian Limited
- Danbro Ltd
- Dechert LLP
- Eden Springs
- EMCOR (UK)
- Equinix
- Essentra Plc
- European Metal Recycling
- FA Premier League
- Facebook Inc
- FIRSTPORT LIMITED
- FREEFORMERS (UK) LIMITED
- Goodwood
- H R Consultancy (Scotland) Ltd
- Harland & Wolff
- HSB Engineering Insurance
- iamYiam Ltd
- Iceland Foods Ltd
- Interface
- James Cropper
- James Retail
- JC Decaux
- Laila's Fine Foods
- MasterCard
- Newable Limited
- NHS Property
- One Hundred
- Origin Digital
- Orsted
- Pearson Financial Services
- PLANET-E LIMITED
- Qualitrol
- Quinn Building Products
- Ready Eggs
- Saga Group
- SALARY FINANCE LIMITED
- Sir Robert McAlpine
- Sport England
- Suki Tea
- Terex
- Timico Technology Group Ltd
- Tinizine Ltd trading as Azoomee
- TLT LLP
- Turley
- Turner & Townsend
- UBER LONDON LIMITED
- University of Leicester
- UTV
- VGC Group
- VOITEQ LIMITED
- WM Housing Group

WHAT WE DO

Using our expertise and network of business leaders, Business in the Community helps employers to channel their leadership, innovation and scale. This enables them to address social, economic and environmental challenges in specific locations around the UK by working alongside public sector and voluntary organisations within their local communities.

We help businesses to promote leadership and engagement on all levels; to develop skills and expertise required to identify places being left behind; and to listen to these communities' needs, co-create innovative solutions and invest time and effort to deliver change through direct action. And by sharing approaches which have the most impact, we make best practice and learning accessible across the UK through our network of connected businesses.

Responsible Business Map

Our Responsible Business Map shows members where they are on their responsible business journey and matches them with the right services, expertise and tools. This supports them to be the best they can be in all areas of responsible business.

We also offer access to a network of employers and encourage our members to work together. This helps businesses to combine their strengths and ultimately bring about greater change.

Our work focuses on four key areas:

People: Helping business build better workforces

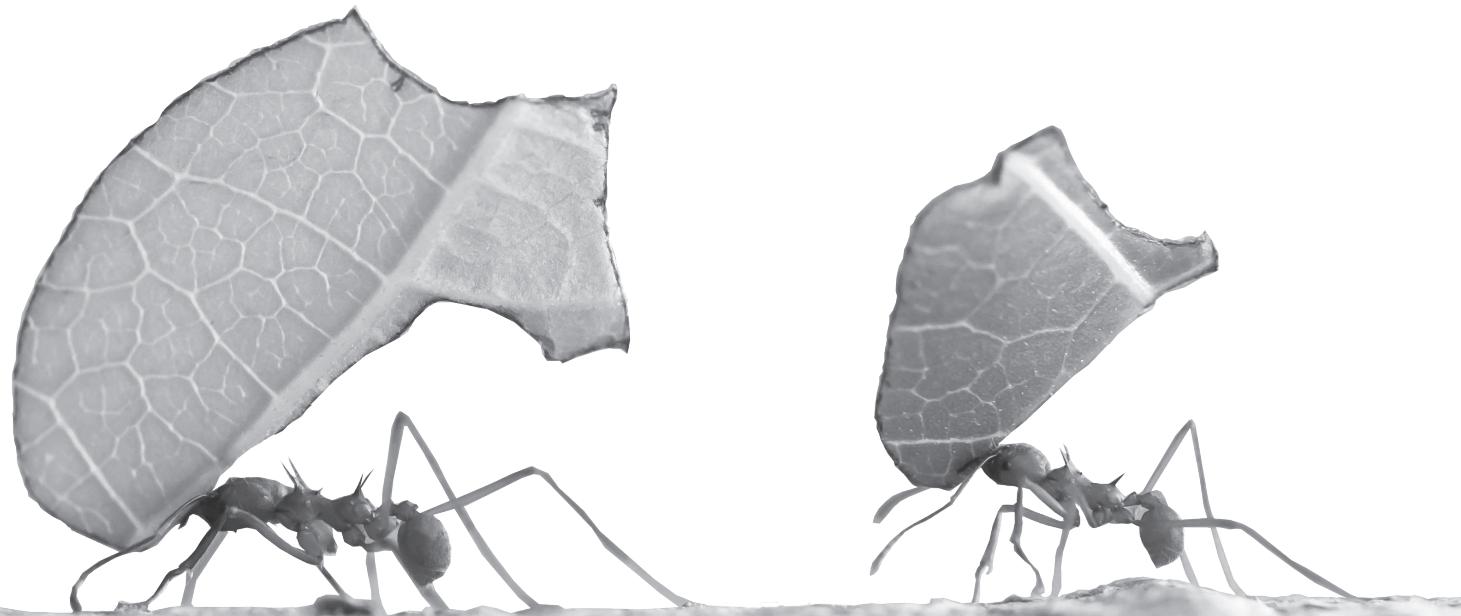
Environment: Helping business create a sustainable economy

Place: Helping build healthy communities

Impact: Helping business measure their impact



PEOPLE: HELPING BUSINESS BUILD BETTER WORKFORCES



EMPLOYMENT

How we're making work more accessible and sustainable

The Employment team aims to make work more accessible and sustainable for people who face barriers to employment. We focus on:

- Making jobs more accessible through our campaigns and resources for members
- Making jobs more sustainable through our development work around good work for all
- Supporting disadvantaged individuals through our Ready for Work programme

Although the employment rate across the UK is the highest it's ever been, digital transformation is changing the way we work and affecting businesses at a rapid rate. We need to ensure that business leaders are pioneering new ways of making their recruitment more accessible and sustainable and are retaining and retraining their talent, so that those furthest away from the job market are not left behind.

This year we set out to grow the numbers signed up to Ban the Box, our campaign calling on employers to give ex-offenders a fair chance for jobs, continue to support people in to work and develop an online hub for Good Work for All.

Among the organisations signing up to Ban the Box this year were Bristol City Council and the Recruitment and Employment Confederation, the first of their kind to do so. Meanwhile, our Future Proof campaign worked with young people to assess recruitment processes, helping many organisations become more youth friendly.

We launched the new online hub for our Good Work for All initiative, which supports employers to provide better pay, more secure contracts and internal progression for low-paid workers, and have been working with Sodexo, Amey and Heathrow Airport to take action to pilot new interventions. This will enable us to provide support and guidance allowing other employers to take active steps in future.

Our Ready for Work employment programme helps people to enter employment around the UK with the support of employers - including key longstanding national partners Marks & Spencer, Freshfields, Gowling and Waitrose - to ensure they support people who achieved employment to sustain their work after their placement. With the help of Linklaters

824,000

roles made more accessible through
Ban the Box

2,000

people attended Future Proof
workshops and events nationwide

1,800

views on the Good Work for All hub

347

Over 347 clients supported with
work placements so far this year

we have pioneered new support for jobseekers who need to improve their English language skills for work through Career Conversations and, with support from the John Lewis Foundation, have started to provide employability support to survivors of modern slavery.

Over the next year the Employment & Skills Leadership Team will be looking at the impact of our activities on jobs and employment and how business leaders plan for an inclusive digital transformation. We will be doing this by creating a common language on skills and identifying the actions businesses need to take to support individuals to transition from roles that are declining into new careers paths through pilot activity, workshops and identifying best practice. We will also be bringing together all of our learnings on making employment accessible across multiple excluded groups to make it easier for organisations to take action.

"Heathrow's status as a world-class airport is down to the quality and expertise of our colleagues. We believe that by supporting colleagues in building a rewarding career at Heathrow, we are able to attract and retain such great talent. In recent years, we have made some big strides towards becoming an even better employer and influencing our partners to do the same. Notably, Heathrow has become the first airport to be accredited as a London Living Wage employer – but there's more to be done. That's why we commissioned the Heathrow Skills Taskforce to guide us on that journey and make the most of the opportunities that we know are coming with expansion."

John Holland-Kaye
CEO, Heathrow Airport
Employment & Skills Leadership Team Chair

HOW BOOTS IS GIVING EX-OFFENDERS A SECOND CHANCE



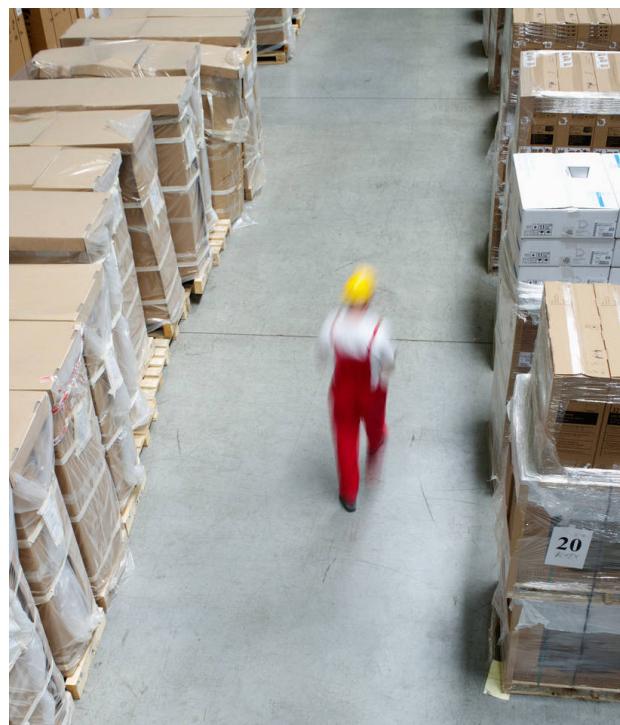
Ian worked for an energy company and had a comfortable life in Newcastle. But on a night out with friends, some bad decisions left him facing a very different future. In 2012 Ian was convicted and given a four-year sentence.

Ian went to prison determined to make a life for himself when he was released. Towards the end of his sentence he was transferred to HMP Sudbury, where he had the opportunity to gain work experience. Boots, an early supporter of Ban the Box, has been working with HMP Sudbury for four years and regularly visits the prison to present opportunities for prisoners to work within a Boots warehouse. Ian completed a month's mandatory voluntary work before putting himself forward for a role at the warehouse on a temporary licence.

After gaining experience working across the different areas of the warehouse, Ian was released from prison in 2014 and kept on by agency partner GI Group to finish his contract. When the contract came to an end, Ian was transferred to a Boots warehouse closer to home and offered a permanent contract three months later. He was later offered a supervisory role and now leads the same team in which he started as a prisoner, as well as visiting the prison to present the opportunities Boots and other companies can offer.

Ian says:

"It was so important to have a job immediately after being released, because I was really worried about finding work with my conviction. It helped so much that I had a routine, and I was able to save a bit of money while I was inside, so I had something to help me get started when I was released. A lot of lads come out with nothing and then they're back in prison again. So I'm incredibly thankful to Boots."



DIVERSITY: AGE

How we're leading the way on the multi-generational workforce

The BITC Age campaign works with employers to equip them to respond to the benefits and challenges of an ageing population creating age-friendly workplaces where people of all ages can flourish. We have a strong focus on helping companies to retain, retrain and recruit older workers and at the same time helping employers to create effective multi-generational teams.

With the support of the Department for Work and Pensions and our Leadership Team members, we are delivering our campaign strategy and fulfilling our role as the Government's Business Champion for Older Workers. We set out in the year to strengthen our support to companies on encouraging multi-generational workforces.

Throughout the year we engaged with a number of partners to produce new research and toolkits and deliver events. These included Tata Consultancy Services (who supported our 'Missing Link: Older Workers and skills in the Digital Era' research), KAE and Calouste Gulbenkian Foundation (UK Branch). Additionally, we published an Age Starter Pack and a range of toolkits on supporting older workers through career and life transitions, supporting informal carers at work and engaging and incentivising older workers, and raised awareness of issues facing older workers through press interviews and conferences in the UK and abroad.

In March 2018 we launched our Age Partnership offer, which was promoted to existing BITC members and other Workplace Partners, and created an Age & Wellbeing Adviser role to deliver this service and drive partnership growth and engagement. We have worked in partnership with the CBI, CIPD and a range of employer organisations to help get the message out through their membership organisations with a special focus on smaller and medium-sized companies.

We also worked with the Centre for Ageing Better on new research into what makes an age-friendly employer which was published this autumn. This will form the basis of our flagship project on creating age-diverse and inclusive teams, which will also include a communications campaign and pilots with employers in the coming year.

In the year ahead, we will continue to build a deeper evidence base of what is needed, what is happening and what works in creating age-inclusive practices at

400,000

more older workers in work in the last two years - meaning we are on track to reach our target of 1m more older workers by 2022

6,000

downloads of our toolkits and resources

work. This will include a flagship project to recognise best practice for age-friendly teams through the Awards for Excellence, as well as working with the Leadership Team to pilot and review a number of new interventions, and growing our Age offer to support members to take action. We will continue to work in partnership with the DWP, with Andy Briggs, Aviva and the Leadership Team acting as Business Older Workers Champions, and with other partners and business coalitions to grow awareness of this issue.

"Our aim is to ensure that businesses benefit from multi-generational workforces and have the skills and capabilities they need and that employees that want to can continue to work and develop their careers when over 50. We are on track towards our target of a million more older workers by 2022 and our priorities for the coming year are to continue to deepen the evidence base of what works, inspire more companies to take action and get the word out to a wider audience."

Andy Briggs
CEO, Aviva UK Insurance
Age Leadership Team Chair



HOW HOME INSTEAD SUPPORTS LATER LIFE WORKING



Octogenarian June Shepherd joined Home Instead Senior Care seven years ago after she was told she was too old to work as a carer by another agency.

At the age of 83, June, a mother-of-five and grandmother-of-10, has always liked to keep active and busy and has worked in a variety of jobs while she supported her family with her husband.

Having enjoyed an active life and with medical training under her belt in her younger days, June decided that working in care was something that she'd like to explore

"I'd approached an agency and I was told I was 'getting on a bit' to work in care. I came away from that experience thinking I was just too old to do the job," said June.

"Then I saw an advert for jobs with Home Instead and saw that they did care for older people. I worried initially that my age was going to be a barrier but it absolutely wasn't."

She started working with Home Instead just a week later after her induction training. That was seven years ago. June's life skills and experience made her a perfect fit for the companionship service that Home Instead Senior Care provides to older people.

June said:

"I love this job because I love going out to meet people and love to do things that matter to people. I do that while I'm chatting about the olden days or whatever they like to talk about."

"You're never too old to learn they say and I've had the best training I've ever had in this job. Everything was well explained and made me feel confident and comfortable in my work. And I've no plans of stopping any time soon."



DIVERSITY: GENDER

We're proud to be the leading authority on workplace gender equality

BITC's gender equality campaign works with employers from a range of sectors and industries to create inclusive workplaces for women and men. We also engage with government and industry stakeholders to campaign for societal change. This approach has enabled us to become a leading authority on workplace gender equality and to create change at a larger scale.

This year we set out to deliver a major piece of research in regard to caring responsibilities and the workplace and work with members to prepare for gender pay gap reporting.

Our focus during the year was our Equal Lives project, in partnership with Santander UK. The project aims to find out whether increased support from employers to help men take on more caring responsibilities at home would boost women's progression at work. We published the results and learnings from our nationwide survey in September 2018 which found there was an appetite for men to take on more caring responsibilities and would like to thank the participants who took part.

Throughout the year we have worked closely with our member organisations to prepare for annual gender pay gap reporting, which took effect in April 2018, and ran our ninth Times Top 50 Employers for Women benchmark and supplement sharing best practice across the agenda.

Our Gender Equality Award winners were celebrated at the Responsible Business Awards in July 2018, with HM Revenue & Customs announced as the winner of the Responsible Business Award for Gender Equality. We have also developed our profile in the media as we aim to be a trusted voice on workplace gender equality issues.

Finally, we have continued to encourage companies to host our Same but Different exhibition celebrating the diversity of women.

In the year ahead, we are collaborating with the Government Equalities Office to organise a series of events that will support employers to understand, communicate, and tackle their pay gaps. We will continue to highlight and promote best practice on workplace gender equality through our Gender Equality Awards and The Times Top 50 Employers for Women listing.

10,000

Over 10,000 people responded to our Equal Lives survey and over 80 took part in interviews and focus groups

128

pieces of media coverage secured between July 2017 and June 2018

428,034

Number of Times readers reached with The Times Top 50 Employers for Women 2018 supplement

16

organisations hosted our Same But Different exhibition which illustrates the concept of intersectionality and celebrates the diversity of women



"We promote inclusive workplaces that offer men and women the same opportunities to shape their own lives and fulfil their potential at work and at home. We want businesses to be transparent and accountable and will support them tackling their pay gaps, addressing both vertical and occupational segregation."

**Dame Helena Morrissey CBE
Head of Personal Investing,
Legal & General Group
Gender Leadership Team Chair**

HOW HM REVENUE & CUSTOMS IS CHAMPIONING WORKPLACE GENDER EQUALITY



One of HM Revenue & Customs' (HMRC) talent development programmes equips trainees with skills for Grade 7 technical roles. In 2015, 40% of programme applicants were women, but only 24% of appointed trainees were.

HMRC's Programme Team produced three short videos for social media featuring existing technical professionals, and reviewed assessment centres for gender split. Marketing materials were amended to use gender-neutral language and HMRC hosted development centres for candidates. The programme also secured additional funding to target 17 top 30 universities and 14 Russell Group universities and reach more female undergraduates. The number of places at assessment centres were increased, with more women invited to attend, and greater emphasis was placed on verbal and logical reasoning tests where women tended to do better.

Since these changes were made there has been a 77% increase in the proportion of women appointed to the programme. The number of women in HMRC's graduate programme also increased, leading to HMRC rising from 92nd to 43rd in the Guardian's Graduate Employer Ranking.

HMRC is now looking at how to increase its percentage of female applicants and encouraging employees who work part-time or alternative working patterns to apply for the programme. As part of this the organisation plans to pilot an alternative working learning programme using digital technology, which could inform best practice in other internal talent programmes and across government.



DIVERSITY: RACE

How we are helping employers and employees overcome workplace barriers

One in four primary school pupils is from a Black, Asian or Minority Ethnic (BAME) background, but just one in 16 senior managers are. BITC's race equality campaign supports employers to ensure that BAME employees are represented at all levels. Having a diverse workforce benefits businesses financially, as well as enabling them to make the most of available talent and reflect the clients, customers and communities they serve.

This year we set out to further identify the leading companies on this issue and showcase good practice, with a focus on increased diversity in leadership, progression and recruitment. We celebrated our first Best Employers for Race listing, featuring 66 UK employers, in October 2017. Three organisations from the listing were also named as Race Equality Award winners and honoured at the Responsible Business Awards Gala Dinner at the Royal Albert Hall. We ran a second listing earlier this year and published the results this autumn.

We also conducted an updated version of our flagship Race at Work survey in partnership with the Department for Business, Energy & Industrial Strategy. Over 20,000 people shared their experiences of race in the workplace, including leadership, pay and workplace bullying and harassment. The results were published this October and we would like to thank everyone who took part.

Finally, we conducted a successful Unemployed Mentoring Circles pilot in partnership with the Department for Work and Pensions. The pilot ran in London, Manchester and Birmingham and aims to connect local businesses with young people from BAME backgrounds to help them gain the necessary skills for good, fulfilling work.

In the year ahead, we will publish the findings from the Race at Work research and recognise best practice through publication of the Best Employers for Race. We will conclude the workshops for BAME jobseekers working with JobCentrePlus in 20 locations where the race disparity audit highlighted urgent need for additional action. We will push for greater focus and action by using the Race at Work Charter.

24,000

people shared their experiences of race in the workplace

20

The Unemployed Mentoring Circle Pilot is being scaled-up to 20 locations in the UK

20

employers collaborating in our flagship Cross Organisational Mentoring Circles

200

BAME employees participating in Cross Organisational Mentoring Circles

"We promote workplaces that include the finest talents drawn from all sections of society with a focus on leadership, progression and recruitment to ensure everyone has the opportunity to reach their potential and that the BAME population benefit from greater economic prosperity."

Richard Iferenta
Partner, KPMG
Race Leadership Team Chair



HOW ENTERPRISE RENT-A-CAR IS DEVELOPING DIVERSE LEADERS



With more than 450 UK locations, it's imperative that Enterprise is as diverse as the community it serves. Recently Enterprise has focused on six diversity strands, including ethnicity, starting at senior level and cascading down with a unique strategy for each strand.

Enterprise introduced the Diversity Scorecard to ensure diversity was a priority at every stage and measure leadership performance. The Diversity Scorecard is a 25-page annual benchmarking tool which enables leadership to evaluate diversity and share best practice and provides clarity on company expectations for diversity and inclusion. It looks at 12 core areas where a diverse approach can have the most impact and breaks them down into subsections to help senior leaders formulate initiatives and measure the impact. The Scorecard also forms part of Enterprise's diversity training for managers and is included in performance reviews.

Between 2012 and 2017, the percentage of BAME UK employees has increased from 17.5% to 20.8% and the percentage of BAME managers has risen from 14% to 17.3%. Additionally, the percentage of BAME new hires has increased from 22% to 28.1%, and 5% of UK directors are BAME, including the Managing Director and Financial Director.

The Scorecard has pushed Enterprise to widen its inclusive recruitment efforts to over 100 UK universities and enabled the organisation to enhance its involvement in widening participation programmes. It has also helped leaders enable better partnerships with customers, increase mentoring of BAME organisation such as Bridge Builders and Global Diversity Practice, and improve leadership engagement with BAME networks.

WELLBEING

How we're supporting a holistic approach to wellbeing at work

Business in the Community defines 'wellbeing' as the mutually supportive relationship between an individual's mental, physical, financial and social health and their personal wellbeing. Our wellbeing campaign takes a whole person approach to employee health and wellbeing, underpinned by a common mental health strand to support thriving people, thriving business and thriving communities.

In FY17/18 we set out to develop several new toolkits to strengthen our support to companies on wellbeing. We also aimed to build on the success of our Mental Health at Work survey by running it for a third cycle.

We have now developed a suite of eight interconnected toolkits, co-created with Public Health England and supported by various third sector partners, to support an integrated approach to physical and mental health, covering new and emerging topics such as sleep and recovery, as well as the challenging issue of domestic abuse. Our innovative toolkit suite is the first of its kind in the world, with Business in the Community acting as the broker by joining up public health and business. The suite consolidates the best evidence, best employer practice and best freely available resources aimed at all employers regardless of size or sector.

Our focus this year has been on the successful running and delivery of our Mental Health at Work survey, in conjunction with Mercer and in collaboration with eight national partners. This is the third annual cycle of the survey, which aims to improve employee mental health at work in the UK and tackle the stigma of disclosing mental health issues. We would like to thank everyone who completed the survey and shared their experiences. A full report on the findings was published in October 2018 with new spotlights on financial wellbeing and LGBT colleagues.

In the year ahead, we will publish the findings from the 3rd Mental Health at Work survey, supported by Mercer, and push for greater awareness and action on the spotlight areas around LGBT mental health and financial well-being. We are planning a refresh of the Workwell model, which provides a useful framework to support a holistic and strategic action to embed well-being into a business; and will continue to raise awareness, disseminate and support members to use the BITC & Public Health England Toolkits, covering topics from sleep and recovery to domestic violence.

11,000

people completed the Mental Health at Work survey

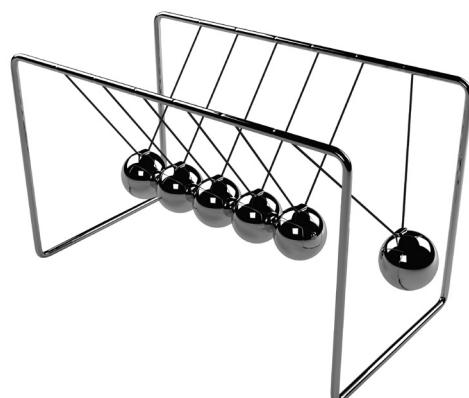
36,000

BITC / Public Health England toolkit suite downloads

"We promote employee wellbeing in relation to both physical and mental health. Currently there is an unprecedented level of public awareness around the importance of good mental health and wellbeing, and a wealth of information, training and guidance available to help organisations support their employees. Removing stigma around mental ill-health and treating physical and mental health with parity will support this, benefiting employees, businesses and the community with everyone enjoying the same opportunity to thrive at work."

David Oldfield

Group Director Commercial Banking, Lloyds Banking Group
Wellbeing Leadership Team Chair



HOW MERCER SUPPORTS LINE MANAGERS ON MENTAL HEALTH AT WORK



Leanne Hamilton is a People Manager based in Mercer's Belfast office. She says:

"I was supporting two colleagues with different diagnosed mental health conditions and struggling to signpost them to the support services available and to know how best to support them while in work. I felt my own mental health was also struggling, as I was questioning if what I was doing was the correct thing.

I talked to my manager about attending a Mental Health First Aid accredited course and suggested we invite others. I received overwhelming support and was given the go-ahead to invite volunteers. This set the tone immediately; as a business we were committed to providing support for all colleagues and to reduce the stigma associated with mental health. I also put together a business case to provide mental health training sessions for all staff in the Belfast office.

Mercer has also put in place a Mental Health & Stress Policy which includes seminars for all colleagues, Mental Health First Aiders in all offices and raising awareness of mental health, which was circulated to all employees. All our line managers in the Belfast office have received Mindful Manager training and all staff were offered a place (using their volunteer hours) to attend a Personal Resilience course. A colleague and I also became accredited Mental Health First Aiders to support colleagues. Alongside this we are holding workshops throughout the year on a variety of mental health issues. This will ensure that as an organisation we continue to talk about the impact of mental health.

I now feel I have all the tools I need to support myself and colleagues. The training clarified my responsibilities as a line manager and suggested reasonable adjustments that we can apply as an organisation to improve everyone's mental wellbeing. We are also in early discussions about trialling a 'work from home one day a week' voluntary scheme. This shows employees we are fully committed to making organisational changes to improve everyone's mental health."

EDUCATION

Helping businesses of all sizes support local schools

Children that grow up in poverty are less likely to succeed, at school and then at work. Our mission is for business to play its part so that every child, particularly those facing social disadvantage, is able to achieve in education, leading to a successful working life, thriving in the workplace.

Through our Business Class scheme we create effective and mutually beneficial partnerships between schools and businesses. Huge thanks to the 1,170 businesses who over the last 10 years have enabled us to reach 288,000 young people, through 581 Business Class partnerships. We have learnt a lot, and this year saw us publish the evidence-based Business Class framework for the first time. This framework has been developed over the last 10 years by business leaders, practitioners and academics in the north-west of England, and covers leadership and management, curriculum, enterprise and employability and wider issues. It aims to support businesses of all sizes to have greater impact in their support for schools. We hope that it will inspire others to act.

This year we have built on the learning of 10 years of Business Class to create new opportunities for collaboration, working with universities to bring graduates into the classroom to inspire young people and partnering with the Careers and Enterprise Company (CEC) in Ipswich, Stoke and Bradford to contribute to the government's careers strategy objectives and create insights into the world of work. Our partnership with the CEC has also allowed us to support schools in Blackpool.

In March we published our 'Whole School, Whole Child' report, sharing the knowledge, examples and learning and successes from 10 years of our Business Class programme.

We are part of the SkillsBuilder partnership, led by Enabling Enterprise, which launched in May. The SkillsBuilder framework is widely used by schools and other skills building organisations and is an exciting opportunity for collaboration around a single shared skills language.

Our Head Teachers Steering Group has grown this year. A huge thanks to every member - you are invaluable to us in shaping and leading our work.

This year Hogan Lovells, KPMG and Siemens joined the Education Leadership team – welcome!

10

years of Business Class celebrated this year

28,800

young people reached through Business Class in last 10 years

581

Business Class partnerships with 1170 businesses since 2008



In the year ahead, we have three key areas of focus: careers, where we will partner with the Careers and Enterprise Company to ensure every child has a meaningful encounter with business each year; leadership – we will connect extraordinary leaders from business and schools to support and learn from one another, and skills – we will scale up business support for children's attainment in literacy, numeracy, STEM, and essential skills, alongside the Skills Builder partnership.

"We ensure that every young person, particularly those facing social disadvantage, achieves in education and is equipped to lead a successful working life. We run programmes that partner businesses with schools to break cycles of poverty, supporting young people to develop the skills they will need for work and providing business support to school leaders."

David Soanes
UK Country Head, UBS
Education Leadership Team Chair

Impact Story

HOW NOVUS HELPS YOUNG PEOPLE GAIN SKILLS FOR THE FUTURE



In 2014 Stoke came fifth from bottom in the national league tables for GCSE results. Novus Property Solutions wanted to do something to improve the city's education problems.

They took a unique approach, forming a direct partnership with a local school, Thistley Hough Academy. The school faced a number of challenges and in 2012, the Academy was placed into 'Special Measures' by Ofsted, with poor exam performance, staffing issues and low pupil enrolment. Five years later, in part thanks to the support of Novus, the school was rated 'Good' by Ofsted, with some 'Outstanding' features.

The company started the Business Class initiative and its partnership with Thistley meant that the company could have a direct input into the skills that pupils require to be 'job ready'. For each year of the partnership, a needs assessment and action plan was created, aligned to the wider Academic Year Strategy of the school. The overriding purpose was to raise the aspirations of pupils, by giving them extra support to improve their employability skills.

For Novus, the partnership has already resulted in an improved reputation locally, which has helped it win £5m worth of construction work. Moreover, 100% of Novus employees who were involved in the programme said that they had developed new skills.



ENVIRONMENT: HELPING BUSINESS CREATE A SUSTAINABLE ECONOMY



ENVIRONMENT: OUR YEAR IN REVIEW

Inspiring and enabling smart growth

This year, Business in the Community and our members have begun a shift. Rather than approaching environmental challenges from the perspective of reducing negative impact, we are now seeing these issues as opportunities to create value through leadership, tools and guidance. In addition to our work on the circular economy, water resilience and ecosystems, we have focused on a number of other projects.

With funding from the Department for the Environment, Food and Rural Affairs (Defra), we engaged businesses with a strong link to agriculture to support farmers with better stewardship of land and improve the health of ecosystems. We developed a model for shared investment to improve landscape health for better flood risk and food production, ran a conference with Sheffield University on the future of food, developed three practical projects with stakeholders to test our model in Cumbria, East Anglia and the South West, and tackled hotspots for pollution with the Environment Agency. We also held a digital deep dive, hosted by Anglian Water and Capgemini, looking at how digital technology and data could help catalyse environmental management. The event involved 30 organisations and has led to two pilot projects in urban and rural contexts to be implemented in 2019.

During Responsible Business Week we ran a significant innovation lab, hosted by the BBC, following our participation in the Mayor's Green Summit in Manchester. The innovation lab was attended by over 100 business and community leaders as well as the Mayor Andy Burnham, and helped people develop practical action plans to create value by helping to achieve the Mayor's vision for a carbon neutral city by 2038. We are continuing to work with the Greater Manchester Combined Authority (GMCA) on how we can best support the realisation of that vision.

Going forward, our focus is our major Waste to Wealth summit in November 2018, which aims to inspire a wave of innovation and rethink resources for the 21st century. The summit aims to engage our network to find solutions to pressing resource challenges in ways that create value for business and society.

80

More than 80 companies working to develop Circular Office solutions

700

Over 700 businesses engaged through workshops, webinars, projects and other support

200

Over 200 sustainability reviews conducted for warrant holders of the Royal Households

We are also setting up a Net Zero Carbon Taskforce to help our members play a leadership role in delivering global targets to tackle climate change, and we are working with members on opportunities to support uptake of local energy schemes and the community groups developing them.

"We inspire and enable 'smart growth': finding new ways to create commercial, social and economic value by tackling environmental challenges. We work with business, government and NGOs to scale up the practical actions that every business can take and facilitate collaborative projects that solve shared challenges."

Tim Doubleday
Chief Financial Officer, Burger King UK
Environment Leadership Team Chair

**RESTORING A HEALTHY
ENVIRONMENT
IS ESSENTIAL IF
BUSINESSES ARE TO
ACHIEVE LONG-TERM
FINANCIAL SUCCESS**

WATER

Helping organisations collaborate to reduce risk and create resilience

Business in the Community's Water Resilience Team works with business to reduce risk and improve the health of water, soil and biodiversity within their supply chain.

Our focus has been on delivering practical, collaborative projects which create shared value for business and communities and put building blocks in place to scale up. In January our Healthy Ecosystems and Resilient Cities programmes were featured in the Government's 25 Year Environment Plan with notable reference to our Landscape Enterprise Network approach developed with Nestlé and 3Keel. In March we launched the Water Taskforce strategy, setting out how we would take these programmes to scale.

This year our Water Resilient Cities work in Manchester, funded by Defra and Natural Course, demonstrated how creating green spaces can deliver significant economic, social and environmental value for communities, including improved community assets, health and wellbeing and reduced air pollution. We developed pilot projects with a school and an NHS site in Greater Manchester to demonstrate how implementing this would work on the ground in terms of financial payback and community benefit.



Our Healthy Ecosystems project has connected businesses to opportunities for collaboration in rural places. Partnering with the Courtauld 2025, we have established projects across three river catchments in the South West, Cumbria and East Anglia, where businesses can work to reduce risk in their supply chain. In May we worked with Cambridge Institute for Sustainability Leadership, The Rivers Trust and our Water Taskforce to launch the Catchment Declaration, with over 100 signatories committing to improving river catchments in the UK.

These two programmes have highlighted common themes that will enable business to innovate for a Smart Growth approach using financing and digital technology. We organised two events to highlight the opportunities in these areas. Our innovative financing round table, chaired by Emma Howard Boyd, Chair of the Environment Agency, and Simon Allocca from Lloyds Bank, brought together stakeholders to explore the challenges and opportunities. We are now working closely with government and investors to explore the potential for green financing for the natural environment.

The Digital Deep Dive sought to identify how data and digital technology could help inform better decision making on the environment for business. The event, hosted by Capgemini and Anglian Water, established frameworks for rural and urban environments which we will develop further over the next year.



HOW MOORLANDS JUNIOR SCHOOL SAVED WATER AND MONEY

Moorlands Junior School in Sale is part of the borough of Trafford and has 239 pupils aged seven to 11. The school expressed an interest in being a demonstration site for BITC's Sustainable Drainage Solutions (SuDS) project and was chosen due to the suitability of the site, which includes 3,496m² of hard standing. It sits within United Utilities' surface water drainage charging band 6, which costs the school £2,682 per year. To drop a band required the disconnection of 497m² of hard standing from the waste water sewers.

Desk and ground studies were carried out to assess the suitability of the soil to infiltrate surface water. Project partners Arup and Stantec drew up designs for five small rain gardens, a pathway and an area of permeable paving in the carpark. The area was designed to maximise the potential for learning for the children, using plants that attract wildlife and enhance the school grounds' biodiversity and with space for outdoor lessons, as well as the use of the space as a waiting area for parents collecting children.

The school's Eco Council had a session to learn about the water cycle and SuDS and worked with their teachers to feed into the design of the rain gardens. They asked that the rain gardens be planted in their house colours and use as many natural materials as possible. The Head Teacher was also involved in the design process, particularly on health and safety.

The SuDS scheme allowed water that fell on the classroom roofs to be diverted into the rain gardens, rather than being taken into the waste water sewers via drainpipes. The plants within the rain garden can survive well in wet conditions and help to hold onto water, releasing it back into the natural water cycle slowly.

Moorlands have now moved down to charging band 5, with an annual saving of £1,475. As the 50% discount only applies to schools, all other non-domestic customers would save £2,950 by moving from band 6 to band 5. If every school in Trafford adopted the scheme, they could save £65,000 a year and get payback in 10 years.

Alison Kelly, Head Teacher at Moorlands, said:

"The SuDS project has provided opportunities for our children to be part of something that will benefit their future, developing world. As a school, we have looked more closely at our environment, how we use it and how we can preserve it for the future. As a school, we gain financially, in our emotional well-being and it is a huge boost to the local ecosystem."



CIRCULAR ECONOMY

How we're helping businesses innovate to reduce waste

In a traditional linear economy, products are made, used and disposed of. In a circular economy, however, resources are kept for as long as possible, the maximum value is extracted from these resources whilst they are still in use and then products and materials are recovered and regenerated from the resources at the end of their life.

Business in the Community's Circular Economy Taskforce brings together CEOs and other senior executives who are committed to delivering a high impact programme which brings the circular economy to life. Its programme of work centres around the following three areas of activity:

- Raising awareness and inspiring action towards greater circularity through thought leadership, knowledge-sharing and networking events.
- Building a programme of practical collaboration, action and innovation, currently focused on the Circular Office/Workplace initiative. Sector-focused work is also being developed.
- Working with the UK government to promote policy frameworks and support needed to boost circular economy opportunities nationally.

In May 2018 we published the findings of a consultation with Circular Economy Taskforce members, which was launched at an event with the Secretary of State for the Environment, Food and Rural Affairs. The report sets out the economic and business case for the circular economy and the opportunities it brings as a viable, practical alternative to the current linear model. It also highlights four areas for increased collaboration and intervention, and calls on business, government, academia and other stakeholders to work together and bring the circular economy to life. This approach could result in a 3% boost to resource productivity and generate £10bn GVA and 200,000 jobs by 2030.

This year we have developed the Circular Office initiative, which brings businesses together to learn, share and try out new ideas towards greater circularity in their offices – changing how we design, use and operate in the places we work, eliminating waste, retaining the value of materials by keeping them in circulation, and creating more efficient, resilient spaces. Opportunities in the initiative include refurbishing and reusing office furniture and equipment, recycling and reducing

food and packaging, and building greater resource circularity into the design of new buildings and the refurbishment or repurposing of offices. Organisations can sign up to the Circular Office initiative by committing to take at least one step towards greater circularity in their workplace, by championing the campaign with their suppliers or customers and by sharing their learning.

More than 80 companies are now working together to develop circular office solutions, and we have networks running in Belfast, Cardiff, London and Manchester. We are continuing to build on this work in 2018 through a series of workshops and bespoke advisory support to help members share learning and develop their own approaches to adopting a circular economy approach within their organisation.



HOW EMPLOYERS ACROSS THE UK ARE SUPPORTING THE CIRCULAR ECONOMY

Through their involvement in the Circular Office initiative, more than 80 companies are now working together to develop circular office solutions, and we have networks running in Belfast, Cardiff, London and Manchester. Their commitments are varied and range from tackling single-use plastic to procuring circular solutions for office fit-outs (from carpets to furniture and ceiling tiles), supporting circular SMEs and engaging employees in behaviour change and sustainable lifestyles.

Circular Economy Taskforce members – including PwC, JLL, Interface, Ricoh, Recycling Lives, Premier Sustain and Arup – are playing an important role, providing inspiration and support to participants through sharing their knowledge and experience:

- PwC with their Going Circular programme
- Ricoh in agile and flexible working
- Interface as a sustainable carpet tile manufacturer
- Arup with expertise on circularity in the built environment
- Premier Sustain with office furniture remanufacturing services
- Recycling Lives in creating employment through its HMP academies

Building on their expertise around sustainability in the real estate sector, JLL has generously seconded two colleagues to work with us in producing a Circular Office guide.

We are continuing to build on this work in 2018 through a series of workshops and bespoke advisory support to help members share learning and develop their own approaches to adopting a circular economy approach within their organisation. We have ambitious plans to scale up the Circular Office initiative – encouraging participants to raise the bar on levels of ambition, as well as reaching out to new organisations through networks in cities in England and Scotland, and partnerships with organisations such as the London Waste and Recycling Board, Circular Peterborough, The Green Building Council and Zero Waste Scotland.



PLACE: HELPING BUILD HEALTHY COMMUNITIES



PLACE

How we're helping bridge the gap between business and the community

As the economy changes, there is a risk that some communities are left behind, and a gap develops between business and society. Business in the Community's vision is to create strategic, long-term, collaborative change in places across the UK. Our role in this vision is to support businesses to identify where they can best contribute and provide them with the appropriate guidance, tools and insights to make this happen.

In the year we launched our report 'Building the Case for a Connected Britain' which provides a model for creating long-term change, taking learning from across BITC programmes and engagement with business. We have learned a huge amount from projects in Blackpool and Wisbech about what works and what does not; our approach recognises the value of businesses, community, charitable organisations, and the public sector working together. We also understand the importance of engaging with different people and groups within the community to hear their voice; this year we have facilitated Community Conversations in five cities across the UK, supported by leading businesses.

This expertise formed the basis of BITC's input to the Civil Society Strategy, a landmark government initiative, which we are pleased to see widen the scope of the civil society beyond the charity sector, to now include responsible business.

Our longstanding Business Connectors programme – alongside our new ConnectFirst secondment programme – has continued to improve the economic prospects of less advantaged places throughout the UK. Talented employees, seconded from either business or the public sector to BITC, work and develop sustainable partnerships in specific places. We would like to thank Big Lottery, Fujitsu, Lloyds Banking Group and all the seconding organisations for their support to Business Connectors.

In FY 18/19 we aim to develop our Place approach and, through the support from our Leadership Team, provide companies with the support they need to ensure that we can create long-term collaborative change to places.

286

connectors have supported 134 communities

13,715

occasions when organisations received support

£48.3M

has been leveraged into communities in cash, in-kind donations and volunteering, including the value of the Connectors themselves

4,713

individual community organisations have received support (includes schools)



"Many of our towns and cities are struggling and we need to respond. BITC members have always understood the inextricable link between healthy high streets and healthy back streets. Our newly convened Place Leadership Team has set the challenge to deliver more strategic collaboration between BITC and its members to address issues in communities across the British Isles so we can achieve more together."

Steve Rowe
CEO, Marks and Spencer
Place Leadership Team Chair

Impact Story

HOW MORGAN STANLEY IMPROVED CHILD HEALTH IN TOWER HAMLETS

Morgan Stanley

The inaugural winners of the Connected Places Award were Morgan Stanley, who brought improved healthcare, safe play areas, and better nutrition to thousands of children in Poplar, Tower Hamlets, one of the most deprived areas of London. Step Forward is the Morgan Stanley Healthy London initiative focused on tackling the root causes of poor nutrition. Tower Hamlets needed action on this issue, as it has the sixth highest proportion of obese 10-11-year-olds in the country.

Before launch, a six-month research project was carried out and the findings showed the focus of the programme should not merely be targeted at the children, but also their parents; a holistic approach would see the whole family educated on the need to change diet and lifestyle and community engagement has been crucial to the programme's success.

The project set out to deliver within two years: 14,000 healthy meals; fitness programmes and health workshops for 3,000 children and families; safe places to play for 2,500 children; access to health education and a community health advisor for 3,000 children and families.

Morgan Stanley is on track to meet these targets thanks to 2,000 hours volunteered by employees and an investment so far of £600,000. Due to the success of the programme in Tower Hamlets, the business has now launched Healthy Glasgow in the Sighthill community.



WHERE IS YOUR WISBECH?

Fostering collaboration to help communities address 21st century challenges

How can business address the challenges around inequalities in development and opportunity across the UK? Business in the Community is uniquely placed to bring the various players together through our Pride of Place campaign. It requires long-term collaboration between business, local and national government and community leaders, as well as vision, tenacity and leadership. We recently undertook Pride of Place pilot activity in Wisbech, which is home to a quarter of all Fenland's residents and renowned for its Georgian architecture.

However, Wisbech also faces many tough challenges. A national index measuring factors including education, income and employment shows Wisbech has four of the top eight most deprived areas in the top 10% nationally. It has the sixth lowest rate of social mobility in the UK and 35% of the population have no qualifications. Meanwhile, traditional employment has changed while transport links have been lost or suffer from lack of investment. This means the town's population is increasingly left behind and cut off from vital economic and social networks.

Local political leaders agreed Wisbech faced greater challenges than other areas and that public bodies and private sector partners needed to think differently about their approach. This lead to the development of the Wisbech 2020 Vision partnership, which was formally launched in 2013.

The involvement of Anglian Water

Anglian Water became a driving force at an early stage, after their CEO was inspired by the positive impact of Business Connectors at one of The Prince's Seeing Is Believing visits. This led to Anglian Water seconding a senior manager as a Business Connector in Wisbech in 2013. They also brought together senior leaders from their tier 1 suppliers to create 'The @one Alliance' steering group to support their Connector, underwrite a longer-term project and work with the local community to achieve change.

Anglian Water's first step was to listen to the community's views and needs and deliver some quick wins, including working with local charity The Ferry Project to refurbish a disused school and create a thriving community centre and hosting a weekly job café and annual Jobs & Skills Fair. Anglian Water also worked with Thomas Clarkson Academy and the College of West Anglia to raise aspiration and attainment by creating two new courses for construction and engineering.

Recently Anglian Water's input has focused on transport infrastructure. They established an Infrastructure for Growth group supporting the Vision team, which investigated and supported proposals to reconnect Wisbech to the rail network and improve road infrastructure. This led to a community consultation about the vision for Wisbech beyond 2020.



With assistance from David Rudlin of the urban design agency URBED, a garden town proposal was developed to deliver up to 12,000 homes. Anglian Water is supporting a ground-breaking approach to new flood modelling and investigating how a garden town can be climate resilient, with blue and green infrastructure at its heart to support the new development and the existing town.

The impact and the future

134 people obtained employment via the Jobs Café in 2017 and 14 students from the first college courses have gained employment with Anglian Water or their Alliance. Wisbech's Business Connector also continues to be heavily involved in the project.

In October 2017 the Vision team refreshed the Wisbech 2020 Vision, focusing on education and skills, health and wellbeing, cohesion, infrastructure and built environment and the local community. Work is now underway with long-term aims to improve transport, build skills, increase tourism, boost retail and create new jobs and homes.

This collaborative approach has had a huge impact, including:

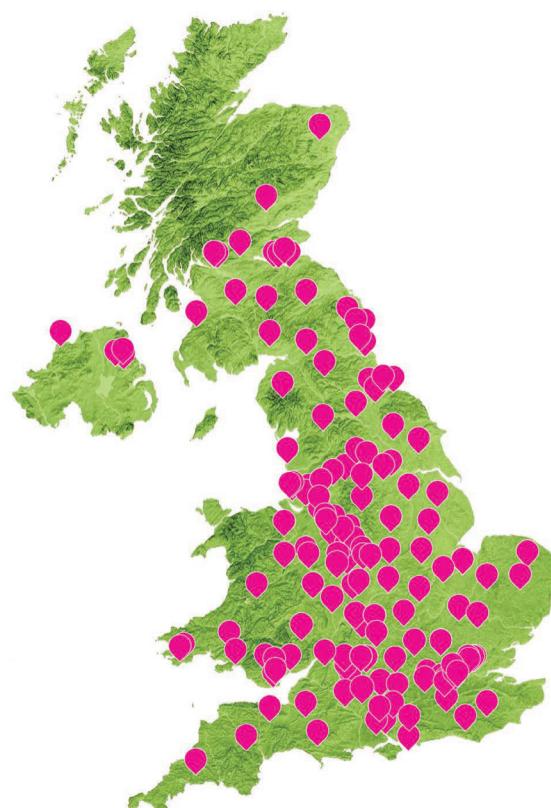
- Rail link now in the County Transport Plan and third stage of Network Rail Assessment to commence
- Garden town proposal supported by the Cambridge & Peterborough Combined Authority with £6.5m
- Innovative flood modelling proposal set to begin with financial support from the Dutch government
- Wisbech is now part of the national Healthy High Streets programme

We are now looking to replicate this business-led model to reach scale in 10 locations across the UK.

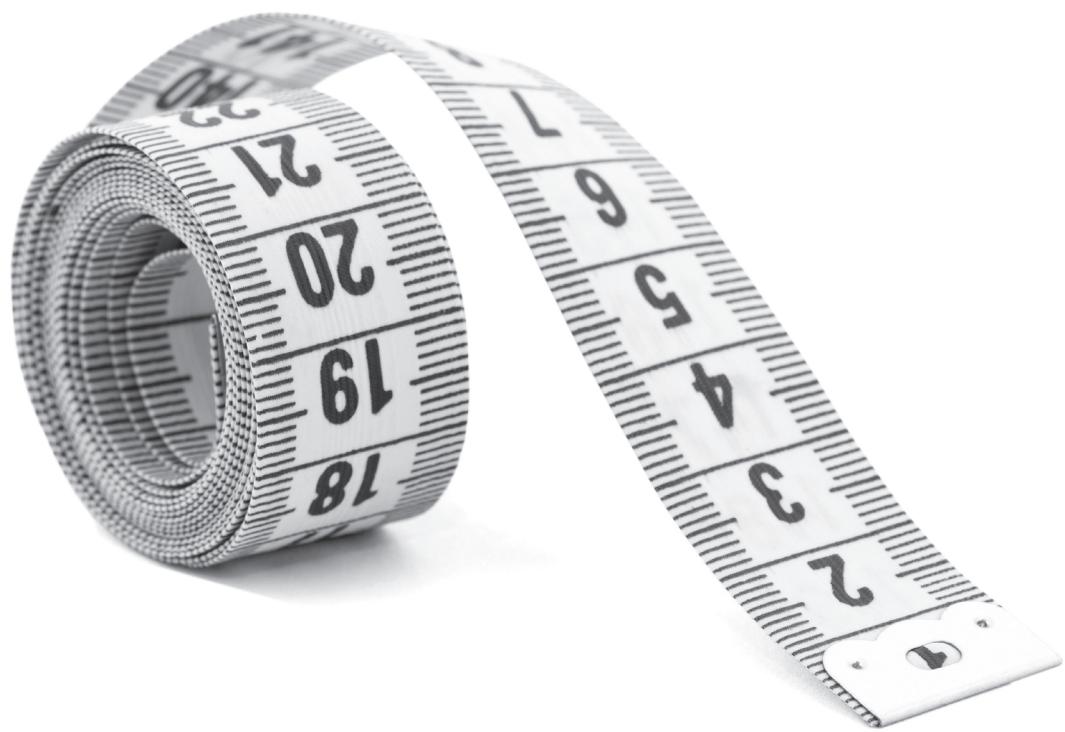
Where is your Wisbech?

At the Business in the Community Responsible Business Awards 2018 Gala Dinner, Peter Simpson, Chief Executive of Anglian Water Group asked business leaders 'Where is your Wisbech?' In other words: where is the place where your organisation can make a life-changing impact? Where can you lead in driving change in a location which is relevant to your business?

This map shows where employers have committed to supporting their local communities:



IMPACT: HELPING BUSINESS MEASURE THEIR IMPACT



RESPONSIBLE BUSINESS TRACKER[©]

Helping businesses measure how responsible they are

In 2003 BITC launched the Corporate Responsibility Index, a questionnaire which measured companies on their social and environmental impact and the extent to which responsible business was integrated into their strategy. Although business found it extremely valuable, in recent years there was a growing sense that changes in the responsible business space and sustainable development policy were restricting its effectiveness.

As a result, in FY17/18 we have radically changed our approach to benchmarking and performance management following feedback from members. This has led to the development of the new Responsible Business Tracker, generously supported by Sky. We are also grateful to Lloyds Banking Group Centre for Responsible Business at the University of Birmingham for their assistance.

The Responsible Business Tracker is aligned with the United Nations' Global Goals (launched as the Sustainable Development Goals) and was created through consultation with over 200 companies, non-governmental organisations, government and international partners. It provides a robust validation process with feedback tailored to the organisation, which informs an action plan with support from a Business in the Community adviser.

The Tracker's unique selling point is that it covers the entire responsible business agenda, aligns with the Global Goals and caters to all sectors and sizes of businesses, whether listed or unlisted. It also offers benchmarking and recognition as well as gap analysis, highlighting best practice and allowing organisations to measure themselves against competitors.

THE TRACKER ANSWERS THE KEY QUESTION: HOW GOOD IS YOUR ORGANISATION AT RESPONSIBLE BUSINESS?

We are now piloting the Responsible Business Tracker with 82 forerunner member companies from 26 sectors. Participants will trial the survey tool between September and December 2018 before receiving practical tips, examples of good practice, tailored advice and an action plan from a Business in the Community adviser.

The first full cycle of the Responsibility Business Tracker will take place in September 2019.

THE RESPONSIBLE BUSINESS MAP

The Responsible Business Map identifies the key issues businesses need to address to achieve long-term financial value, enabling both society and the planet to thrive.



AROUND THE UK AND THE WORLD



GLOBAL GOALS & INTERNATIONAL DISASTER RELIEF

The Global Goals campaign is based on the UN sustainable development agenda of 2015 and aims to inspire and engage businesses everywhere to ensure that their core business model is a sustainable one. Our vision is that global organisations of all sizes will demonstrate that mainstreaming sustainability and responsible business as part of their business model is the best route to commercial success, and to deliver the Sustainable Development Goals by 2030.

We are continuing our work to champion and quantify the business and societal benefits of sustainable business models in three key areas: sustainable business model Innovation, purpose and community investment. This involves making sustainability an integral part of organisations' business model, continued focus on developing more purpose-driven brands and business and sharing the best community investment innovations, with global context, relevance and connectivity.

Additionally, we have ongoing projects on human rights and international disaster relief. This will enable us to share best practice on human rights approaches and challenges, and to deliver faster and more effective international disaster relief through our member companies' core products, services and capabilities.



Our goal is to provide a hub for employers which brings the Global Goals to life through sharing expertise, shared learning, best practice and providing practical and strategic actions.

"We are building a movement of multinational companies putting sustainable business models at the heart of their purpose, which underpin achieving the UN Sustainable Development Goals. Our mission is to work with the private and public sectors to constructively challenge, inspire, promote awareness and best practice which address the Global Goals."

Keith Weed
Chief Marketing and Communications Officer,
Unilever
Global Goals Leadership Team Chair

GLOBAL GOALS

The United Nation Sustainable Development Goals underpin Business in the Community's Responsible Business Map.



Impact Story

HOW ARUP SUPPORTS COMMUNITIES AFFECTED BY DISASTERS

ARUP

Arup has more than 80 offices in 35 countries and a team of over 13,000 planners, designers, engineers and consultants worldwide. It has long-established relationships with charities and NGOs to further its aspiration for creating positive social impact.

Arup has now established its Disaster Response & Recovery (DRR) Programme as a key strand of its Community Engagement Programme. The DRR is central to Arup's approach to engaging with communities across its global footprint, using its technical expertise to improve lives and reduce the suffering of those in need. Its work spans several phases in the so-called 'disaster management cycle'.

In Haiti, Arup helped rebuild 16 existing neighbourhoods and relocate families living in six camps. In Turks and Caicos, it helped to reduce poverty following Hurricane Ike in 2008 which devastated the island, affecting almost a third of the population. In Aceh, Arup evaluated reconstruction efforts by NGOs involved in 20,000 transitional shelters and building code regulations for 60,000 permanent houses. In Pakistan, it worked with the International Organisation for Migration to develop a construction guide for shelter in flood-prone areas following three years of intense rainfall.

The DRR is not only about acting in the aftermath of disaster, but also in mitigation. Since the Rana Plaza factory collapse in Bangladesh, all exporting garment factories have undergone a preliminary safety assessment using Arup's methodology. More than 150 engineers from 30 Arup offices have undertaken the safety assessment programme, with another 30 involved in training and capacity building.

The DRR has also brought about commercial benefits, yielding a sustainable stream of business. They take a holistic approach to disaster relief – including short-term response and long-term resilience and disaster mitigation strategies – and so are involved with clients on a long-term basis. This then presents different opportunities over many years.



INTERNATIONAL TOURISM PARTNERSHIP

Tourism is now one of the world's biggest industries. BITC's International Tourism Partnership (ITP) exists to provide a platform for hotel industry leaders to share ideas, build relationships and work collaboratively to make it one of the world's most responsible industries.

ITP launched its Goals for 2030 in September 2017 and has since worked with members to design a roadmap for change. ITP aims to unite the 13 international hotel industry members to collaborate across the critical issues of carbon, water, youth employment and human rights. Through Green Hotelier – and its awards – ITP also encourages individual hotels and smaller groups to act on the Global Goals.

Since launching the Goals, ITP has continued to create opportunities for change and collaboration across the hotel industry. ITP published the Hotel Global Decarbonisation report in December 2017, showing the possibility for total decarbonisation of the hotel industry. In March 2018, ITP published its Water Stewardship Report outlining the six steps hotels must take to embed water stewardship across their portfolios.

In August 2018, ITP launched the Destination Water Risk Index, which identifies the top 12 tourism destinations around the world with the greatest risk from water scarcity and reveals the extent to which water is undervalued in many locations and is likely to increase in cost in the near future. This is likely to influence how hotel companies proactively build in water stewardship strategies to their growth agenda and invite local stakeholders and other industries to collaborate on mitigating actions in high risk destinations.

ITP's flagship programme, the Youth Career Initiative (YCI), has continued to empower hotels to positively impact their local communities. YCI enables hotels to offer employability opportunities and economic independence to disadvantaged young people. YCI is now active in 38 locations across 22 countries.

680

young people joined YCI programmes in 2017

85%

of these graduates had a positive progression after completing the course; **78%** were hired, and **7%** returned to education

72%

of students graduated from YCI courses



“ITP’s unique leadership role convenes the world’s leading hotel groups, enabling practical collaboration and sharing best practice across the sector to bring about transformational impact for the Global Goals. Through us our members focus their collective efforts on innovation, scalability and impact to address the challenges affecting our communities around the world.”

Wolfgang M. Neumann
Non-Executive Director, Radisson Hotel Group
ITP Leadership Team Chair

HOW THE PRINCIPLES OF FORCED LABOUR WILL TACKLE HUMAN TRAFFICKING

In June 2018, ITP attended the Global Forum for Responsible Recruitment and Employment in Singapore to launch ITP's Principles on Forced Labour. Five of our member companies - Hilton, Hyatt, InterContinental Hotels Group (IHG), Marriott, and Radisson Hotel Group - flew out to stand with us and speak in support of the three Principles which represent best practice on recruitment and seek to reduce the incidence of forced labour around the world.

The three Principles are:

- Every worker should have freedom of movement.
- No worker should pay for a job.
- No worker should be indebted or coerced to work.

The Principles are supported by ITP's membership of 13 leading hotel companies and have been widely recognised as a model for a sector-wide approach to tackling human rights issues and modern slavery.

Many ITP members are now rolling out human rights and human trafficking training throughout all their properties to help address this critical global issue. They are also carrying out a range of actions to reduce human rights risks throughout their value chains.



WALES CYMRU

BITC Cymru works with employers of all sizes and sectors to help them achieve commercial success in ways which honour their values whilst making a real difference to the people, economy and environment of Wales. To do this, we want to grow our membership, expand our campaign offering and increase stakeholder engagement – building our reach, impact, influence and profile.

We have focused on building partnerships with funders, business and government. With the Royal British Legion, we secured funding for a Wales Veterans Employers Leadership Group. We also piloted a Big Lottery-funded programme on age at work with colleagues in Scotland and Northern Ireland and are working with Principality Building Society to develop a Wales-wide business-led programme for financial literacy in schools.

We developed a stronger strategic relationship with the Welsh government in line with their policy ambitions for inclusive growth. Our Responsible Business Week keynote speaker was the First Minister, who said his ambition was for responsible business to become ‘the new normal’ in Wales.

Additionally, we launched a Wales-wide place-based series of Community Conversations and volunteer action days. We held five Community Conversations across Wales and brought 350 business volunteers to deliver practical support in those places. We also developed and expanded our Business Class and Barclays LifeSkills programmes.

This has given us a solid foundation for the future. We will work with government, business networks and stakeholders to make responsible business the norm and position BITC Cymru as the authoritative voice on modern, progressive, responsible business in Wales. Our network of members is growing annually, bringing in many successful and influential businesses, and we will expand our campaign offer with new employability programmes, boost our environment and education campaigns and increase support for fair work and workplace diversity.

80

school/business partnerships in
Business Class

10,000

Over 10,000 pupils experiencing
Barclays LifeSkills sessions

40%

increase in memberships and 100% of
existing members retained

350

Our biggest ever Wales RB Awards
gala dinner with over 350 guests



“In the changing world of work, working responsibly is essential for any successful business. By treating your employees well, giving back to the community, and minimising your ecological footprint, you’ll have a more productive workforce, be more competitive in the market, and strengthen your brand.“

Chris Nott
Partner, Capital Law LLP
The Prince’s Responsible Business
Ambassador for Wales

Impact Story

HOW PRINCIPALITY BUILDING SOCIETY SUPPORTS SCHOOLS ACROSS WALES



Principality Building Society is the largest building society in Wales and has been involved in Business Class in Wales for several years. With the company's wide reach and footprints in communities across Wales – and operations that allow it to bring unique learning experiences into schools, such as sports broadcast and filming sessions – Principality has boosted its engagement with young people, schools and teachers.

As well as working with schools on a needs-led basis, Principality has also brought its business priorities to bear through a strategic approach. This has specifically focused on financial education, financial literacy and engagement with sport. The company's ability to bring sports-related opportunities into the classroom results in increased engagement from pupils and has led to activities such as applying broadcast and filming training to running the digital component of Principality's 2018 Annual General Meeting.

In addition to providing new skills and experiences for over 8,500 young people across Wales, Principality is also working with BITC Cymru to develop a Wales-wide business-led programme for financial literacy in schools, helping to safeguard the financial wellbeing of Welsh young people.

By combining charity partnerships with school engagement and sponsorship opportunities, Principality has developed a more joined-up approach to responsible business. The company has received over 30 applications for a new scholarship programme and has invested over 800 hours of employee volunteering time into its schools partnerships.

Additionally, young people in Wales have benefited: 250 pupils at Principality's partner schools received an A* or A in the new Level 2 Certificate in Personal Finance, and Bro Myrddin School has become a Centre of Excellence for Financial Education.



SCOTLAND

BITC Scotland's ambition is to align business and the Scottish government around inclusive growth and sustainability; to build capacity to deliver more for our members; increase our profile as the voice of responsible business; and have stronger integration with all BITC networks.

This year we have cemented BITC Scotland's role as the voice of the responsible business movement in Scotland through stronger strategic partnerships and hosting or speaking at a range of high-quality events. These included a Leadership Dinner with the First Minister on Inclusive Growth and the Global Goals; and the Scotland Director moderating a session at the OECD's Global Forum in Paris.

Using BITC's survey data and insights has enabled us to continue our thought leadership role, as we can better inform Scottish debate and ensure findings and recommendations have relevance to the responsible business movement in Scotland.

We have also continued to act on the agendas we promote, delivering high-quality programmes on education (Barclays LifeSkills, Food for Thought, Business Class and Employer Supported Volunteering), employment (Diversity Campaigns, Fair Work, the Scottish Business Pledge and Ready for Work) and sustainability (Circular Economy, Global Goals and Inclusive Growth).

In FY 18/19 we want to continue and grow this great work and have developed and agreed with our Advisory Board a strategy to 2022, aligned to and delivering around the BITC Breakthrough Goals, the UN Global Goals and the Scottish Government's National Performance Framework.

11,000

pupils across Scotland in 70 schools and colleges took part in LifeSkills sessions



"BITC Scotland is a catalyst for collaboration between business, organisations and government to communicate, educate and deliver a more sustainable Scotland. We work with members and partners across a broad range of activities, from health and wellbeing to diversity and inclusion. Our work in cities, towns and rural communities supports responsible and resilient positive outcomes. We are pleased to promote our partnerships and demonstrate that business is a force for good."

Mike Still
Chairman, Trustify Ltd
Scotland Advisory Board Chair

Impact Story

HOW BITC SCOTLAND SUPPORTS YOUNG READERS



The Prince's Responsible Business Network
Scotland

Paired Reading is a highly successful programme which takes business volunteers and places them in primary schools. Just a short session each week working supports children to improve their reading, gain new confidence and find out more about the world of work. Teachers and parents alike report sustained and lasting progress which can be seen in the classroom and at home.

Five members of the BITC Scotland team chose to walk the talk and volunteer for paired reading at Sighthill Primary School, which is near our office. Including travel time to and from the school, the weekly term-time commitment of each team member was just over an hour.

As well as attending the school each week we hosted the children in our office for a session, so they could see our working environment and ask questions about what we do. We also invited the children to a reception at the Scottish Parliament which celebrated the impact of responsible business in Scotland, where they stole the show with some excellent networking skills, including meeting BITC CEO Amanda Mackenzie. Paired Reading has been a real highlight of the week for both our staff and the children alike.



NORTHERN IRELAND

This year BITC Northern Ireland continued working towards the targets in our three-year strategy, including:

- Engaging 15,000 business volunteers in local communities and 10,000 voluntary, community and social enterprise sector (VCSE) service users benefitting from business support
- Engaging all post-primary schools with a business, giving 25,000 young people meaningful work-related learning experiences and supporting 21,000 pupils through Barclays LifeSkills facilitation between 2017-19
- 60 leading businesses working towards circular economy adaptation, engaging 100 businesses annually in the Environmental Benchmarking Survey, 25 businesses certifying to the Business and Biodiversity Charter, and six circular economy focused-events
- 100,000 employees benefiting from improved health and wellbeing, 100 businesses adopting a strategic approach to employee wellbeing, and 90,000 employees benefiting from strategies tackling workplace age and gender inequalities

This year we provided action days and volunteering opportunities for members, inspiring business to engage more fully with community organisations. 3,126 business volunteers are involved in employer-supported volunteering, working with 130 voluntary and community groups. Additionally, over 100 companies are engaged in BITC Community Resilience programmes and events.

Our work on education and jobs has helped raise young people's aspirations across Northern Ireland through the Work Inspiration programme, which provides more than 8,000 work placements annually, helping young people understand the world of work. The suite of Time to initiatives – Time to Read, Time 2Count and the recent Time to Code pilot – have supported more than 1,200 pupils to gain essential skills for the future. Meanwhile, 13,450 workshop attendees have engaged in Barclays LifeSkills across 468 sessions.

We supported members with practical sessions, relevant speakers and networking opportunities on age and gender. 25 organisations are involved with the Age at Work business network and 10 organisations are engaged across the three years of our gender project.

3,126

business volunteers involved in employer-supported volunteering

100

organisations took part in the Northern Ireland Environmental Benchmarking Survey

8,000+

placements provided annually through Work Inspiration programme

1,200+

pupils supported through Time to initiatives

Our Healthy Working Lives Conference welcomed 104 attendees, including keynote speakers from EY, Sodexo and Pearn Kandola.

100 organisations took part in the Northern Ireland Environmental Benchmarking Survey, driving environmental change and improvement. 44 companies took part in three Circular Economy networks, and we delivered two Circular Economy-focused events and several online business resources.

Going forward, alongside our ongoing projects, we will develop a Community Investment Consultancy offer and a Wellbeing Volunteering offer, and pilot a Charity Learning Network. We will also investigate a Futureproofing project and explore opportunities to support those who are economically inactive, as well as focusing on the development of our Business & Biodiversity Charter, and supporting companies to comply with ESOS.

"We are operating at a time in our history where business uncertainty has never been greater. The Northern Ireland team is working hard to support our membership of more than 260 business, and we are encouraging every business to 'plug' the leadership gap with a focus on our people, the planet and the places in which our organisations are located."

Moya Johnston

Vice President OEMs, Survitec Group

Chair of Business in the Community Northern Ireland

Impact Story

HOW HARBOUR HELPS TACKLE DIGITAL SKILLS GAP

The 2017 NI Skills Barometer suggested that Northern Ireland needs to provide an additional 800 graduates annually in Engineering, Technology, Maths and Computer Science degrees.

Belfast Harbour is helping tackle Northern Ireland's digital skills gap with an initiative to introduce more than 450 pupils to computer coding. Delivered free of charge to 18 schools, and with the help of more than 35 volunteers from the private sector, 'Time to Code' aims to address the lack of formal coding teaching available in local primary schools.

An independent assessment of its pilot programme found that 'Time to Code' delivered a 60% increase in pupils who were interested in a career involving coding. Participants also benefitted from increases in their awareness of coding and were more likely to explore coding in their own time. The programme is run by Business in the Community Northern Ireland.

Joe O'Neill, CEO, Belfast Harbour said:

"Belfast Harbour Estate is home to over 700 firms employing 23,000 - an increasing proportion of whom are involved in digital and creative industries. Northern Ireland has an excellent reputation in these sectors and as Belfast Harbour has developed office space at City Quays and Catalyst Inc. we have received strong interest from prospective tenants who need digitally skilled workers. With no provision for the formal teaching of coding in the curriculum, however, initiatives such as 'Time to Code' are essential to enthusing a new generation of digital workers and ensuring that supply keeps pace with employers' needs."

Delivered in partnership with the charity Code Club, pupils attend an hour-long coding club for 12 weeks. Coding languages covered include Scratch, HTML, CSS and Python. The initiative also aims to help pupils develop collaborative thinking, team working and problem solving.

John Healy, Managing Director from Allstate, which ran a Time to Code camp during the summer, added:

"Coding is very important when you think about the future and where everything is going. We need our children to learn 21st century skills for a 21st century world, and coding teaches them the creativity and problem-solving skills that are necessary for success. The Allstate Time to Code camp in August was a huge success for both the children involved and our employees who volunteered to run it. We look forward to continuing and developing our Time to Code program in the future."



THE PRINCE'S BUSINESS EMERGENCY RESILIENCE GROUP

The Prince's Business Emergency Resilience Group (BERG) was created in 2009 by HRH The Prince of Wales to help UK businesses and communities prepare for, respond to, and recover from emergencies. It consists of UK business leaders and strategic partners, including national charities and UK government, working together more effectively to help communities affected by significant disruptive events.

This year BERG has focused on supporting business resilience in three specific areas: Extreme Weather, Cyber and Pandemic. Each of these areas has a sub-group chaired by one of the BERG Leadership Team businesses.

In April 2018, BITC launched the Would You Be Ready campaign as part of Responsible Business Week at HR Wallingford. The campaign was developed on the understanding that many small business owners do not have resilience and recovery plans in place and an unexpected disruption can have significant financial and other impacts on business continuity. It provides an online Readiness Test which helps small business owners assess their resilience, as well as tips and advice on safeguarding assets and preparing for disruption.

The BERG Leadership Team also set up a new sub-group on Pandemic Resilience, chaired by Barclays. The group will define a cross-industry framework, enabling companies and organisations to validate pandemic plan assumptions and dependencies. It will also identify potential gaps and establish a platform to encourage small businesses to be at the heart of the initiative, and offer links to information, resilience tools and other resources to increase awareness, preparedness and responsiveness to a flu pandemic.

To support BITC's new Membership Offer, BERG has created two Resilience Training modules. The first module demonstrates how larger businesses can support small business customers and suppliers to be more resilient to disruptive events such as floods, fires, cyber security breaches and pandemics. It is delivered by BITC, with input from BERG Leadership Team members through impact stories and guest speakers which examine how organisations support small business resilience within the supply chain. The second module is focused on training small businesses and social enterprises directly. This is being delivered collaboratively with the Enterprise and Culture team.

This year BERG created the Local Resilience Support initiative, which is linked to the UK's local resilience bodies. This is fully supported by BERG's strategic partner the Civil Contingencies Secretariat, a part of the Cabinet Office. Volunteers engage with local resilience bodies to build trust at a local level and to communicate where the BITC network can be most effective, particularly in the aftermath of an emergency. BERG provides training to the volunteers with input from member companies and emergency planners within the regions.

In the coming year we will continue to build on existing activity and provide further support for small business resilience. We will also deliver the results of our cyber resilience baseline survey, which was conducted in the autumn of 2018. Outcomes of the survey will help the sub-group develop targeted, affordable and easy-to-use products and services for small businesses. Additionally, we will continue our partnership with DEFRA on the Property Flood Resilience Roundtable.

We need you

JOINING BUSINESS IN THE COMMUNITY IS A PUBLIC DECLARATION OF YOUR COMMITMENT TO BEING A RESPONSIBLE BUSINESS



OUR PEOPLE

As an employer, BITC aims to make its vision of responsible business a reality by providing a sustainable, inclusive and productive workplace. We are proud of the passion and dedication of all our employees, secondees and volunteers who deliver our campaigns and programmes whilst embracing changes as the organisation evolves.

This year we note an 8% reduction in the average number of employees. There was an average of 315 employees between June 2017 to June 2018, 29% of which were part-time. 45% of these were in our London head office and 55% were based across the country including the 85 employees in Northern Ireland, Wales and Scotland.

One of our long-term aims is to make Business in the Community a showcase organisation for our members. We want to show everyone that we live our own values and ‘Walk our Talk’. This year we used our employees’ expertise and worked closely with our internal networks to review our policies and procedures and identify best practice. Amongst our key networks in 2017/2018 were the Cultural Awareness Network (CAN), the Social Network, Be Well and UNITY (LGBT+).

The UNITY Network supports LGBT+ Staff and Allies across the organisation and is supported by our Chief Executive Amanda Mackenzie as the executive champion. Over the last year UNITY have helped develop and launch a new Trans Inclusion Policy, helped with a complete Policy review and developed training resources on trans inclusion, LGBT inclusion and Bi Visibility as well as a new LGBT Ally training package. In 2018 BITC will take part in the Stonewall Workplace Equality Index for the first time with UNITY’s support and we look forward to seeing how we benchmark and how we can improve for the future.

The CAN crafted a Diversity and Inclusion statement for BITC which appears on the BITC website and all external job vacancy materials. CAN and HR also partnered to launch and deliver a process for diversity screening external application forms using CAN as its diversity lens. Additionally, CAN has held quarterly cultural lunch and learns and Different Cultural Christmas Celebrations on internal communications channels, which are planned to be held again in 2018.

Our BeWell Network has several learning sessions planned on various aspects of wellbeing, ensuring we talk about mental health conditions in an open and safe forum to challenge the stigma and silence surrounding the subject.

With the launch of the General Data Protection Regulations in May 2018, a lot of challenging work has been done across the organisation, including forming a working group to ensure our data governance policies and procedures exceed minimum compliance to protect the data of our member companies, stakeholders and employees.

This year we have welcomed five secondees into our Communications team thanks to Sky. They are overseeing the refresh of our branding, social media, internal communications and public affairs work. As we welcomed Sky secondees we have also said a temporary goodbye to Director of People and Place Paul Buchanan who has been seconded to Sky. We would also like to thank Aviva for seconding us Sandra Knowles, our new Director of People and Culture.

As well as the 15 Secondees that have been working with the central team we want to acknowledge the work that our 68 Business Connectors delivered around the UK in bringing local groups and businesses together. They are all seconded from the public sector helping deliver our ambition to build healthier communities.

We have closed our gender pay gap that was identified last year. Following a review of our recruitment practices and salary benchmarking, we can confirm the mean gender pay gap is 0.29% and the median gender pay gap is 0.72%. An in-depth report will be published on our website after we communicate it to our employees.

Additionally, to establish if a BAME pay gap was likely at BITC, we ran a report measuring every employee’s full time contractual salary in October 2018, with employees divided into BAME and White ethnicity groups using data provided by all individuals. By using the same calculation approach as for the gender pay gap, we see a BAME mean pay gap of 2.9% overall (0.13% for BAME females and 14.4% for BAME males). This is due to a lack of BAME males in the top pay quartile, and we already have initiatives in place within recruitment to promote diversity and inclusion.

This year for the first time we measured our Employee Net Promotor Score (NPS) as part of our Happiness Survey, which helps us understand how many employees would actively recommend BITC as a place to work. Whilst our score of -28 is low, it is not significantly out of line with other charities, and shows we have a clear opportunity for improvement in the future.

OUR MISSION

Business in the Community was incorporated as a company limited by guarantee on 2 March 1982 and was registered as a charity on 28 September 1987. It is governed by its articles of association, as amended by special resolutions passed on 10 September 1987, 8 December 1994, 4 December 2001 and 9 December 2015.

Its principal objects are:

- the relief of unemployment and poverty by promoting the practical interest and involvement of companies, firms, voluntary organisations, and local authorities, in advancing industry and commercial and social enterprise by creating or assisting in the creation of opportunities for employment in areas where involuntary unemployment is causing poverty, hardship and distress or physical or mental ill health.
- to advance education by the promotion of research and the publication of the useful results thereof relating to the corporate social responsibility and community involvement policies and practices of industry and commerce.
- otherwise to relieve poverty, advance education, promote equality and diversity and further other charitable purposes which are beneficial to the public by promoting the practical interest and involvement of companies, firms, voluntary organisations, local authorities and individuals in such purposes particularly in the communities in which they have operational interests.
- the protection and preservation of the environment for the public benefit by promoting the practical interest and involvement of companies, firms, voluntary organisations, and local authorities in protecting and preserving the environment in the course of their activities.

The directors consider that they have complied with their duty to have due regard to the Charity Commission guidance on public benefit.

OUR PLANS FOR 2018/2019

Our strategy and plans for next year are underpinned by our breakthrough goals:

- | | | | | | | | |
|----------|--|----------|---|----------|--|----------|--|
| 1 | Become the trusted authority and voice of responsible business in the UK | 2 | Pride of Place: enable significant regeneration in 20 of the most deprived communities in Britain | 3 | Build a world class, digitally enabled membership and network organisation | 4 | Work closely with HRH's sister charities to enhance and support our mutual agendas on sustainability, fairness, community regeneration and the environment |
|----------|--|----------|---|----------|--|----------|--|

Within these goals, there are five key initiatives over and above our 'business as usual' activity:

- Investing in our website and digital capability to ensure that our membership benefits from our insight as effectively and efficiently as possible
- Improving our value proposition to ensure that we support members on their responsible journey
- Continuing our work on customer experience to ensure we maximise our impact through business
- Developing our communications and messaging regarding the importance of Responsible Business
- Delivering a budget that rebuilds our reserves

FINANCIAL REPORTS AND STATEMENTS

FINANCIAL REVIEW

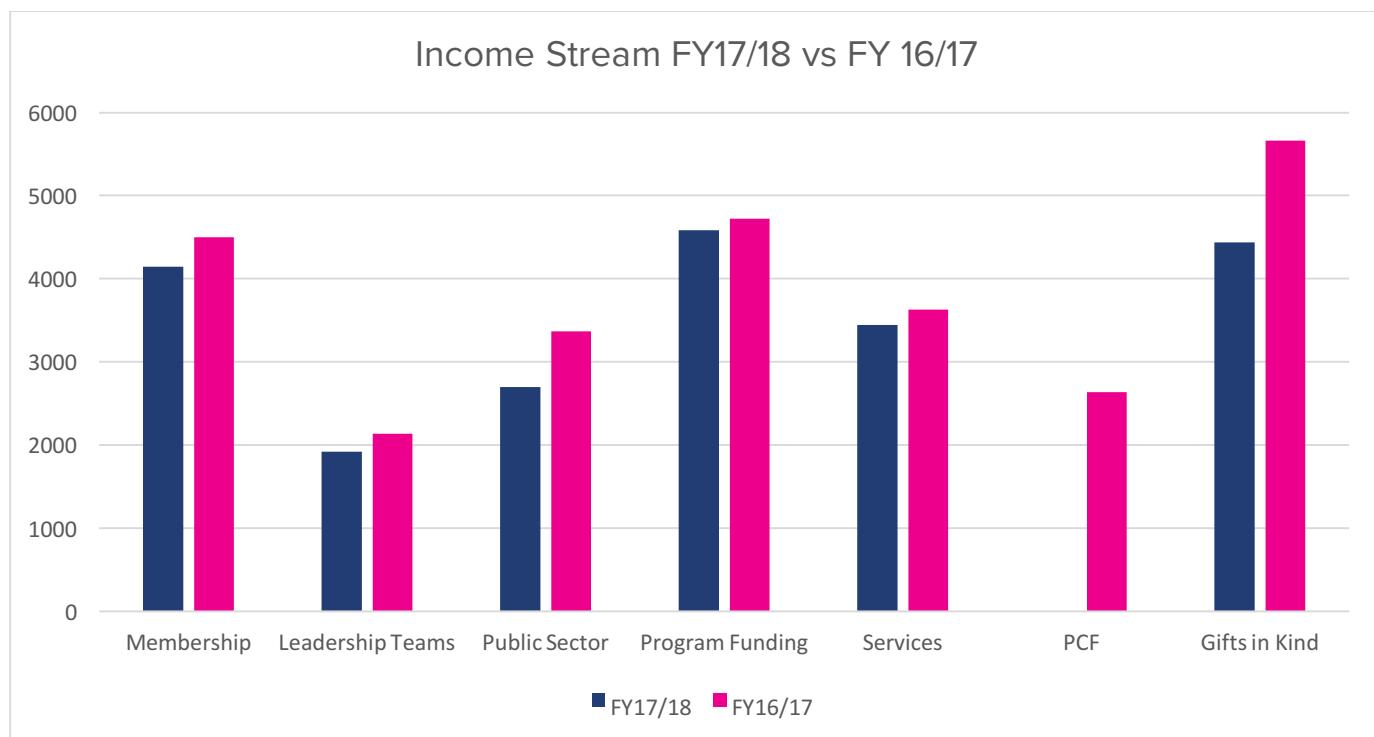
The financial statements for the year have been prepared in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities SORP FRS102.

The accounts incorporate the results of Business in the Community (BITC) and its subsidiaries (BITC Trading and Advisory Ltd, Trading for Good Ltd and Scottish Business in the Community). Comparatives for the year to June 2017 include The Prince's Countryside Fund (PCF), of which BITC was a sole member, and its trading subsidiary Countryside Fund Trading Ltd both of which were transferred to the Prince of Wales Charites Foundation (PWCF) on the 1st July 2017.

In overall terms, BITC recognised a net total reduction in the year to both unrestricted and restricted funds of £2,409k. This reduction was primarily due to a number of one-off changes that occurred in the year which included the transfer of PCF to PWCF and the deferral of a proportion of our membership income to recognise the change in our membership offering.

Total Transfer of the Reserve of PCF	(£831k)
Deferral of Membership Income	(£827k)
Transfer of Social Enterprise Funds to SENI	(£85k)
Movement in Restricted Funds	(£460k)
Movement in Endowment Funds	(£20k)
Movement in Unrestricted Funds	(£186k)
Total Movement in Funds	(£2,409k)

Incoming resources, as reported in the Statement of Financial Activities on page 69, were £19.8 million in 2018 (2017: £26.3 million). These total incoming resources are shown below by income stream.



The principal reason for the drop in overall income in the year was the transfer of PCF on 1 July 2017 to PWCF (2017: income of £2.6 million) which reduced both the group's sponsorship income and donated services. In addition, we saw a reduction of activity of the Business Connector programme in its final year of funding which also contributed to the reduction in Gift in Kind income of £1.2 million.

There was also a £827k deferral of membership income in relation to the unused service element at the year end.

As in previous years, the majority of our income was connected to the support of member companies through Membership & Leadership Team fees and programme funding in relation to our community-based delivery work. We saw slight decreases compared to last year in both these areas however we anticipate growth in FY18/19 as we provide better value to companies through our new member engagement offer. Our community work is now mainly funded through delivery programmes as we have seen the continuing trend of reduction in our earned services relating to both Education and Employee volunteering brokerage. Public sector income streams continue to decline as both central and local government departments continue to reduce spend.

The total expenditure fell by £4,434k and amounted to £22,255k for the Financial Year 2017/18 (2016/17: £26,689k). The majority of the cost-saving was contributed by a lower full-time equivalent employee number which was down by 42 FTEs on the prior year. It is in line with the decrease in income activities. The total expenditure of £22,255k includes the transfer of £831k from The Prince's Countryside Fund (PCF) to The Prince of Wales's Charitable Fund.

Business in the Community had one active subsidiary during the year supporting its activities, BITC Trading & Advisory Limited. This represents the trading arm of the organisation, with income generated through advertising and sponsorship activities. The company continued to perform strongly in the year generating a profit of £977k (2017: £956k). As in prior years all profits have been gift aided to the parent charity.

All of BITC's income, including members' contributions, is used solely to finance expenses incurred in connection with its mission.

The negative movement in unrestricted funds of £1,013k (2017: £686k decrease) represents a decrease in free reserves available to support any part of the charitable undertakings of the company. £827k of this movement relates to the adjustment relating to the deferral of the services element of membership income.

The net movement in the unspent restricted funds from year to year arises from the differences in timing between the recognition of the income and the incurring of the related expenditure. This year the restricted funds of £2,427k at 1 July 2017 decreased by £1,376k (2017: £332k increase) to £1,050k at 30 June 2018. This is partly reflected by the transfer of PCF to PWCF (£831k), the transfer of Social Enterprise funds to SENI which is now operating as a standalone charity (85k), and the remaining expenditure on projects where we had received income in advance.

The Endowment funds connected with the development of the BEAM project reduced by £20k to £421k (2017: £20k decrease to £441k).

Economic Conditions and Going Concern

We continue to be able to access funds from our member companies and from the public sector where our core initiatives demonstrate that they meet both societal need and funding expectations.

Despite a challenging environment we have continued to manage our costs to our income. We retain the flexibility to continue to reduce costs further where necessary in response to reduced income.

Consequently, we have a reasonable expectation that BITC has adequate resources to continue in operational existence for the foreseeable future. The accounts have therefore been prepared on the basis that the charity is a going concern.

Fixed assets

Movements in fixed assets during the year are set out in note 5 to the financial statements.

Reserves and Reserves policy

The total consolidated reserves of the Group were £3,005k at June 2018 (2017: £5,414k). Of this £421k (2017: £441k) is held as endowment funds reflecting the value of fixed assets donated to the charity, £1,051k (2017: £2,427k) is held as restricted funds where the application of such funds is restricted to a given activity within the overall objectives of the Group. The remaining reserves are unrestricted funds and include £565k attributable to fixed assets which are therefore not freely distributable. The residue of £968k is designated as free reserves.

The company holds those free reserves to provide working capital to finance its day-to-day operations and to provide a safeguard against any unforeseen contingency, including a downturn in support or activity, that could lead to expenditure exceeding income, and ultimately to protect its solvency in the event of any curtailment of its activities. The policy determined by the directors is to reflect what minimum level is adequate for its needs in a changing environment. An evaluation of the costs of total cessation in a worst-case scenario has been carried out which estimated that the unfunded extra costs would require a minimum level of unrestricted free reserves of £800k.

The company's free reserves amounted to £1,000k at the year end, being the net current assets of its unrestricted funds (as reported in note 11) which also represent its liquid funds. This exceeded the requirement determined by the directors.

Grant making policy

After the transfer of PCF to PWCF on the 1st July 2017 the charity no longer makes grants.

Fund Raising Policy

Business in The Community is committed to its charitable aims and raises funds in order to carry out our campaigns and programmes to build healthy communities with successful business at their heart.

Business in The Community complies with the UK law and Charity Commissions regulations. We concur with the Fundraising Regulator's Promise that fundraising should be open, honest and legal.

Business in The Community does not raise money to pay for its activities from members of the public. The source of the charity's funds come from Business in The Community's business members, the public sectors, and charitable foundations that we collaborate with.

Guarantors

The liability of each of the guarantors in the event of a winding up is limited either to £5 or to a voluntary but binding sum of £1,000.

Risk policy

The Board is responsible for the management of the risks faced by the Company and the Group.

A risk management process is in place and continues to be refined and enhanced with the assistance of the Finance & Risk Committee and the Audit Committee.

Through this risk management process, the Directors have identified the key risks to which the company is exposed and the actions in place to address them. These are listed on the next page:

Key Risk identified by our review	Controls and mitigations
Macro-economic uncertainties, in particular, Brexit could cause businesses to cut discretionary expenditure, causing a loss of Members, or lower programme participation	<p>Control: relationship management working closely with members to highlight the relevance of BITC's activity and campaigns to current challenges.</p> <p>Mitigations: Widely diversified income streams.</p>
BITC's purpose, programmes and services could become out of step with business needs causing a reduction in member numbers and income.	<p>Control: Regular review of company support including use of external references (satisfaction surveys and reference panels); competitor analysis; pipeline for recruitment and follow up of any resignations.</p> <p>Mitigations: Boards and Leadership team structure keeps BITC close to business-relevant issues. Changes to Membership engagement proposition. CEO-led review with current and former members.</p>
BITC could be unable to adapt adequately to fluctuations in income. Increased stress on the internal resources that allow us to deliver our agenda.	<p>Control: close monitoring of core & fixed costs in relation to income, especially long-term commitments.</p> <p>Mitigations: maintain and improve flexibility of internal structures to support cost reductions to meet changes in income. Annual budget, business plan and regular reforecasts, supplemented by medium-term cash and viability forecasting. Clear governance structure, especially in relation to longer-term commitments.</p>
Reduction in, termination of, or failure to deliver key programmes could damage reputation or reduce critical mass.	<p>Control: regular reporting and monitoring of quality of delivery.</p> <p>Mitigations: regular review of activities and relevance.</p>
Reputational damage resulting from a loss of confidential data.	<p>Control: Management overseeing the maintenance of systems and databases to improve resilience. As of 2 days before GDPR deadline in May 2018, BITC was GDPR compliant according to ICO Online Assessment BITC. On-going mandatory staff training on information governance is being rolled out across the organisation.</p>
Denial of access from malware could mean that our operations are severely impacted, or historical intellectual property is lost.	<p>Mitigations: Employment of regular backups of our data and ensure up to date security software. Risk awareness training and practices in regard to IT security for all staff. Investment in more secure systems and a robust new website.</p>

The risks have been reviewed, both in relation to the opportunities and the risks arising from the structure of the Group and its culture, highlighting in particular its entrepreneurial and campaigning nature and the strong emphasis on staff involvement.

The processes that are in place to both monitor and to mitigate the effects of such risks are recognised to only provide reasonable and not absolute assurance that key risks have been adequately identified and managed.

The design of the systems and controls covering the breadth of the activities is considered to be appropriate for the size and complexity of the company's activities. These procedures are regularly

reviewed, and amendments introduced to meet the changing needs of the organisation. There is no evidence that there is any material failure of these controls.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Statement of Directors' Responsibilities

The Trustees (who are also the directors of Business in the Community for purposes of company law) are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the directors to prepare financial statements for each financial year. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group, and of the incoming resources and the application of resources including income and expenditure of the charitable company and of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Acts and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the company and the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware. The directors have each taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On 25 June 2018, Crowe Clark Whitehill LLP changed its name to Crowe U.K. LLP. Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor and a resolution proposing their re-appointment will be submitted to the forthcoming Annual General Meeting.

This Annual Report, prepared under the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006, was approved by the board on 8th November 2018, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



Jeremy Darroch
Chairman, Business in the Community
08 November 2018

INDEPENDENT AUDITORS REPORT

Independent Auditor's Report to the Members and Trustees of Business in the Community

Opinion

We have audited the financial statements of Business in the Community for the year ended 30 June 2018 which comprise the Statement of Financial Activities, Balance Sheet, 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 the charitable company's affairs as at 30 June 2018 and of the group's incoming resources and application of resources 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic 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' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report or the] directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the 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

As explained more fully in the trustees' responsibilities statement set out on page , 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 or the 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 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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

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 the 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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Thomas
Senior Statutory Auditor
For and on behalf of
Crowe U.K.LLP
Statutory Auditor
London

Date 16th November 2018

STATEMENT OF FINANCIAL ACTIVITIES

Business in the Community
(A company limited by guarantee)

Consolidated Statement of Financial Activities (incorporating an income and expenditure account)
for the year ended 30 June 2018

	Note	Unrestricted Funds		Restricted Funds		Endowment Funds		Total Funds	
		FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017
Income & Endowments	1								
Donations & Legacies		352	85	4,085	5,579	-	-	4,437	5,664
Investments		8	11	5				8	16
Income from Charitable Activities	3	360	96	4,085	5,584	-	-	4,445	5,680
Total Income & Endowments		8,271	9,851	7,130	10,784	-	-	15,401	20,635
Expenditure on									
Charitable Activities	3	9,644	10,633	11,760	16,036	20	20	21,424	26,689
Transfer of PCF to PWCF		-	-	831	-	-	-	831	-
Total Expenditure		9,644	10,633	12,591	16,036	20	20	22,255	26,689
Net Income/(Expenditure) for the Year		(1,013)	(686)	(1,376)	332	(20)	(20)	(2,409)	(374)
Reconciliation of Funds									
Total Funds at 1 July 2017		2,546	3,232	2,427	2,095	441	461	5,414	5,788
Total Funds at 30 June 2018		1,533	2,546	1,051	2,427	421	441	3,005	5,414

The charitable company has no recognised gains and losses other than those shown above.

The above results for year ended June 17 incorporate the performance of The Prince's Countryside Fund which was transferred on 01 July 2017 to The Prince of Wales's Charitable Foundation with net balance on funds of £831k.

Notes 1 to 19 form an integral part of these financial statements

**Consolidated and Company Balance Sheets
as at 30 June 2018**

Company Registration Number 1619253

Note	Consolidated 30 June 2018	Consolidated 30 June 2017	BITC 30 June 2018	BITC 30 June 2017
	£000	£000	£000	£000
Fixed Assets				
Tangible Assets	5 986	1,067	986	1,067
Current Assets				
Debtors	7 3,683	3,470	3,519	3,109
Cash at bank and in hand	8 3,310	7,617	3,085	4,917
Total Current Assets	6,993	11,087	6,604	8,026
Current Liabilities				
Creditors – amounts falling due within one year	9 (4,974)	(6,292)	(4,585)	(4,509)
Total Current Liabilities	(4,974)	(6,292)	(4,585)	(4,509)
Net current assets	2,019	4,795	2,019	3,517
Creditors – amounts falling due after one year	10 -	(448)	-	-
Net assets	3,005	5,414	3,005	4,584
Represented by:				
Unrestricted funds	1,533	2,546	1,533	2,546
Restricted funds	1,051	2,427	1,051	1,597
Endowment funds	421	441	421	441
Total funds	11 3,005	5,414	3,005	4,584

The net (expenditure)/income for the financial year dealt with in the financial statements of the parent Company was (-£1,578k) (2017: -£873k).

Approved by the Board of Directors on 08 November 2018 and signed on its behalf:



Jeremy Darroch
Chairman



Richard Hutton
Chairman of the Finance & Risk Committee

Notes 1 to 19 form an integral part of these financial statements

CASH FLOW STATEMENT

Consolidated Cash Flow Statement for the year ended 30 June 2018

	Year Ended 30 June 2018 £000	Year Ended 30 June 17 £000
Cash inflow/(outflow) from operating activities	(4,303)	278
Cash flows from investing activities		
Interest Income	8	16
Purchase of tangible fixed assets	(12)	-
Net cash inflow from investing activities	(4)	16
Net increase/(decrease) in cash and cash equivalents	(4,307)	294
Cash and cash equivalents at 1 July 2017	7,617	7,323
Cash and cash equivalents at 30 June 2018	3,310	7,617

Reconciliation of net incoming resources to net cash inflow / (outflow) from operating activities

	Year Ended 30 June 2018 £000	Year Ended 30 June 2017 £000
Net incoming/(outgoing) resources:		
- Unrestricted funds	(1,013)	(686)
- Restricted funds*	(1,376)	332
- Endowment funds	(20)	(20)
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(2,409)	(374)
Adjustments for:		
(Gains) on investments	(8)	(16)
Depreciation charges	93	102
Decrease / (increase) in Debtors	(281)	554
Decrease / (Increase) in Accrued Income & Prepayments	68	370
(Decrease) / Increase in Creditors less than one year*	(1,201)	(372)
(Decrease) / Increase in Creditors greater than one year*	(448)	(54)
Increase / (Decrease) in Accrued Expenditure & Deferred Income	(117)	68
Net cash inflow/(outflow) from operating activities	(4,303)	278

*Includes movement in relation to the transfer of The Prince's Countryside Fund (PCF)

Analysis of cash and cash equivalents

	Year Ended 30 June 2018	Year Ended 30 June 2017
Cash in hand	3,310	5,928
Notice deposits (less than 3 months)	-	1,689
Total cash and cash equivalents	3,310	7,617

Notes 1 to 19 form an integral part of these financial statements

NOTES TO THE ACCOUNTS

1. Accounting Policies

a) Charitable Status

The company is limited by guarantee (company registration number 01619253) and is a registered charity in England and Wales (297716) and Scotland (SC046226). The address of the registered office is 137 Shepherdess Walk, London N1 7RQ.

b) Statement of Compliance

The Group and Charity financial statements have been prepared in accordance with the Statement of Recommended Practice: “Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)” (SORP) issued on 16 July 2014 and the “Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102). They also comply with the reporting requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Business in the Community constitutes a public benefit entity as defined by FRS 102.

As highlighted in the report of the directors, having assessed the charity’s financial position, its plans for the foreseeable future, the risks to which it is exposed and the detailed cash projections the trustees are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

c) Basis of Preparation

The Group and Charity financial statements have been prepared on a going concern basis, under the historical cost convention.

The individual entity accounts of Business in the Community have taken advantage of the disclosure exemption under FRS 102 to separately disclose categories of financial instruments and items of income, expenses, gains or losses relating to instruments as these have been presented on a group basis in the notes to the accounts.

Consolidation

The Statement of Financial Activities and the Consolidated Balance Sheet for FY 17/18 consolidate the results of the Charity and its wholly-owned subsidiaries, BITC Trading & Advisory and Trading for Good Limited. Figures for FY16/17 also included the results of Prince’s Countryside Fund, Countryside Fund Trading and Scottish Business in the Community (dormant).

The results of the subsidiaries are consolidated on a line-by-line basis. Intra group transactions and year end balances are eliminated on consolidation. In accordance with section 408 of Companies Act 2006 no separate Statement of Financial Activities has been presented for Business in the Community.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity’s accounting policies, which are described below, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the

revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The principal accounting policies applied in the preparation of the Group and Charity financial statements are set out below. These policies have been consistently applied to all the years presented.

d) Statement of cash flows

The Charity has taken advantage of the exemption in FRS 102 from preparing a statement of cash flows, on the basis that it is a qualifying entity and the Group statement of cash flows included in these financial statements includes the cash flows of the Charity.

e) Income

All income received by the Group is used to finance expenditure incurred in furtherance of its objectives. Income is recognised and included in the statement of financial activities when the Group has entitlement to the income, it is probable that the income will be received, and the amount can be measured reliably. Income received relating to future accounting periods is deferred and recognised as a creditor within the balance sheet.

Existing members' ordinary contributions are recognised in full on the date on which they fall due. Ordinary contributions from members who have joined in the year are recognised when there is adequate certainty of receipt.

From January 2018, Business in the Community has changed the basis of its membership offering. Whilst members continue to pay a subscription fee based on the size of the organisation (the accounting of which remains unchanged), the service element of the membership is now being accounted for separately.

The service element, which can be delivered through credit-based packages or workplace partnerships, is recognised when the service is delivered. Unused commitments are treated as income in advance at the year end.

Sponsorship income, fees, public sector grants, sundry income and bank deposit interest are recognised on a receivable basis. To the extent that such monies represent monies that have been claimed in advance to meet specific commitments arising, or services to be delivered, after the balance sheet date, they are carried forward as fees and other funds in advance within creditors on the balance sheet (note 12).

Such income is not recognised as incoming resources in the Statement of Financial Activities until the certainty of entitlement has been established. The balances of unspent restricted charitable funds are carried forward as Restricted Income Funds.

Donated services and facilities income, categorised as voluntary income, represents the Group's estimate of the value to the charities of donated services and facilities, the value of the donated long lease and the cost of seconded staff in support of the charity's activities.

f) **Expenditure**

All expenditure is accounted for on an accrual basis.

Allocation of membership resources expended – the cost ascribed to the membership activities represents the estimated cost of staff time involved in managing relationships with members, their engagement with us and support for our communication of best practice.

Cost of generating funds – there is no cost allocated to the cost of generating voluntary income funds as these represent the receipt of donated services and facilities and any such costs incurred are regarded as being immaterial.

Charitable activities expenditure is incurred in connection with the specific objects of the Group and includes as support services the costs incurred in supporting those activities. The apportionment between charitable activities expenditure, including support services, and governance costs, has been calculated by analysing staff time and by allocating all other costs by activity. Support services are allocated on a per head basis and apportioned to charitable activities on the same basis. The costs allocated to governance costs include staff time spent on governance, the related support costs and audit costs.

Input VAT is allocated to the costs on which it is incurred and recoveries of directly attributable tax credited against them. Residual input tax recovered is credited to support services in the Statement of Financial Activities and apportioned over expenditure in proportion to the activity.

Included within each relevant category of expenditure, as appropriate to the activity they supported, are the estimated cost of donated services and facilities and the cost of seconded staff.

All costs associated with staff redundancy/termination are recognised in the period in which the individuals affected are made aware of the decision.

g) **Accounting for Grants Payable**

Grants payable are payments made to third parties in furtherance of the charitable objects of the Business in the Community and its subsidiaries. Single or multi-year grants are accounted for when the trustees have agreed to pay the grant without condition and have notified the recipient, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the charity.

Grants approved but not yet paid are shown as creditors in the accounts.

h) Tangible Fixed Assets

Tangible fixed assets are stated at their purchase price, together with any incidental costs of acquisition. Individual assets are capitalised only when their cost of acquisition amounts to £12,000 or more.

Where fixed assets have been donated, they have been included in the financial statements at the lower of their valuation to the charity or replacement cost at the date of donation.

Provision for depreciation is made so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic life of the assets concerned.

The annual rates used for this purpose are:

Long-leasehold buildings -	4% per annum
Long-leasehold building refurbishments -	10% per annum
Short-leasehold improvements -	over the remainder of the term of the lease
Equipment, fixtures and fittings -	20% per annum
Vehicles -	25% reducing balance

Depreciation on assets that are held under an endowment fund is charged against that fund and depreciated at 10% per annum.

i) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cash held in current accounts with UK banks and cash on short notice deposit accounts.

j) Provision for costs under Property Leases

Provision is made for costs likely to be incurred on expiration of the property leases where the liability for such expenditure is a requirement of the lease and can be reliably estimated and where the future renewal of the lease is uncertain. These are charged to the Statement of Financial Activities in the last few years of the lease when such costs can be accurately determined and reported as a liability due at the end of the lease term.

Rents payable under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term. Benefits received as a lease incentive are credited to the statement of financial activities, to reduce the lease expense, on a straight-line basis over the lease term. The Group has taken advantage of the exemption in respect of lease incentives on leases in existence at the date of transition to FRS 102 (1 July 2014) and continues to credit these lease incentives to the statement of financial activities over the period to the end date of the lease on which the rent is adjusted to market rates.

k) Operating Leases

Payments under operating leases are charged to the Statement of Financial Activities as incurred.

l) Pension Contributions

The Group contributes to defined contribution private pension policies for employees and the pension cost charge that is shown in note 4(b) represents the contributions payable to these policies.

m) Financial Instruments

Business in the Community 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 amortised cost using the effective interest method (equating to the present value). Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors and accrued income. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors and accrued expenditure.

2. Income and Expenditure

- a) No Trustees received any remuneration in the year (2017: £Nil). No Director received reimbursement of expenses in the year. (2017: £Nil).
- b) The Statement of Financial Activities includes the cost of donated services and facilities amounting to £1,324k (2017: £1,083k) and the cost of pro bono staff seconded from member companies and organisations amounting to £3,113k (2017: £4,582k), details of which are given in note 4(a). BITC has not received any benefit from volunteers.
- c) The results are stated after charging:

	Total 2018 £000	Total 2017 £000
Operating Leases: Plant and Machinery		
Land and Buildings	350	349
Depreciation	91	102
Group Auditors remuneration	23	22
– audit of Parent accounts*	23	22
– audit of subsidiaries	3	9
– other services	4	5
Other Auditor remuneration	-	-
– other services	-	-

* The audit fee charged to BITC represents a discounted fee level with the balance contributed on a pro-bono basis

3. Analysis of Consolidated Financial Activities

a) Analysis of Income by Activity

Activities	Voluntary Income £000	Charitable Activities £000	Total 2018 £000	Total 2017 £000
Membership & Leadership Teams	335	5,371	5,706	7,056
Seeing is Believing, Support & Challenge	341	1,708	2,049	2,000
Making an impact:				
Diversity & Wellbeing	135	1,754	1,889	1,885
Place: Education, Employment & Community	3,373	6,037	9,410	11,985
Environment & Sustainability	236	531	767	727
Prince's Countryside Fund	-	-	-	2,619
Governance – donated services	17	-	17	27
	4,437	15,401	19,838	26,299
Bank Deposit Interest Receivable	-	8	8	16
Total Incoming Resources	4,437	15,409	19,846	26,315

b) Analysis of Expenditure by Activity

Activities	Voluntary Income £000	Charitable Activities £000	Total 2018 £000	Total 2017 £000
Membership & Leadership	335	3,069	3,404	3,807
Seeing is Believing, Support & Challenge	341	2,916	3,257	3,160
Making an impact:				
Diversity & Wellbeing	135	2,102	2,237	2,647
Place: Education, Employment & Community	3,373	7,967	11,340	13,693
Environment & Sustainability	236	785	1,021	1,093
Prince's Countryside Fund	-	-	-	2,116
Total Activities	4,420	16,839	21,259	26,516
Governance	17	148	165	173
Total Resources Expended	4,437	16,987	21,424	26,689

c) Analysis of Total Expenditure

Activities	Staff Costs £000	Support Costs £000	Other Costs £000	Total 2018 £000	Total 2017 £000
Membership & Leadership	2,086	494	824	3,404	3,807
Seeing is Believing, Support & Challenge	1,666	376	1,216	3,258	3,160
Making an impact:					
Diversity & Wellbeing	1,210	273	754	2,237	2,647
Place: Education, Employment & Community	5,024	1,176	5,140	11,340	13,693
Environment & Sustainability	481	112	427	1,020	1,093
Prince's Countryside Fund	-	-	-	-	2,116
Total Activities	10,467	2,431	8,361	21,259	26,516
Governance	-	148	17	165	173
Total Resources Expended	10,467	2,579	8,378	21,424	26,689

Support costs comprise the central costs of senior managers, finance, human resources and IT support and includes salary costs of £1,826k (2017: £1,995k).

In the year to June 2017, Grants awarded are included within the Prince's Countryside Fund and totalled £1,223k.

Full details of the grants made in the year to June 2017 and the organisations who were the recipients can be found in the accounts of the Prince's Countryside Fund.

Governance Costs comprise management cost of £123k, £25k of statutory audit fee and £17k of pro bono audit fee.

d) Results for BITC alone

Movement in resources for the company

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000
Incoming Resources	8,172	11,215	-
Outgoing Resources	(9,185)	(11,760)	(20)
Net Movement in Funds	(1,013)	(545)	(20)

e) Accounting for Restricted Funds and Material Grants

As an intrinsic part of the accounting system, funds are accounted for to ensure that funders' requirements in respect of their receipt, disbursement and reporting are fully satisfied. Those restricted funds and material grants that warrant separate disclosure in demonstrating different areas of work are shown below. A full list of those funds which require formal acknowledgement are shown in note 20.

Grant funds received in advance of expenditure being incurred are carried forward within creditors on the balance sheet as funds received in advance (notes 1(e) and 11 and 12).

f) Restricted Funds Analysis for the financial year 2018/19

	Balance at 30 June 2017 £000	Income Received £000	Expenditure £000	Balance at 30 June 2018 £000	
Restricted Funds					
Total Movements in Restricted Funds	2,427	11,215	(12,591)	1,051	
Included in this total balance:					
Project & Purpose	Fund Provider	Balance at 30 June 2017 £000	Income Received £000	Expenditure £000	Balance at 30 June 2018 £000
Business Connectors	Big Lottery / Lloyds Bank	151	596	(696)	51
Prince's Countryside Fund	Various Private Sector	831	-	(831)	-
Gifts in Kind to support our programmes	Various	-	4,437	(4,437)	-
Barriers to Employment/ Employments & Skills Programme	Various Private Sector	253	1,180	(1,355)	78
RFW	People's Postcode Lottery	180	290	(325)	145
Employment & Skills / Future Skills	City & Guilds	10	-	(10)	-
International Campaign	Various Private Sector	263	296	(421)	138
International Tourism Partners	Various Private Sector	287	592	(615)	264
Business Engagement on Disaster Relief	DFID	-	149	(149)	-
Scottish National Action Plan	Scottish Government	-	200	(200)	-
Sky plc	Funding for Tracker	-	127	(76)	51
Employability for All	CEC	-	53	(53)	-
Black Country "Passport to Employment' Project	CEC Black Country	-	20	(20)	-
Careers Outreach	Sheffield Hallam University	-	62	(62)	-
Business Emergency Resilience Group	Various Private Sector	67	234	(269)	32
Corporate Stewardship for Healthy Ecosystems	DEFRA	-	100	(100)	-
Great Yarmouth Neighbourhoods That Work	Great Yarmouth Borough Council	-	83	(80)	3
Social Enterprise NI	Department for Trade & Investment	85	128	(213)	-
Welsh Business Class	Welsh Government	-	143	(143)	-
Lifeskills – Scotland	Barclays	51	113	(113)	51
Lifeskills – Wales	Barclays	20	105	(114)	11

Restricted Funds for the Financial Year FY16/17

	Balance at 30 June 2016 £000	Income Received £000	Expenditure £000	Balance at 30 June 2017 £000	
Restricted Funds					
Total Movements in Restricted Funds	2,095	16,368	(16,036)	2,427	
Included in this total balance:					
Project & Purpose	Fund Provider	Balance at 30 June 2016 £000	Income Received £000	Expenditure £000	Balance at 30 June 2017 £000
Business Connectors	Big Lottery / Lloyds Bank / PPCL	219	767	(835)	151
Prince's Countryside Fund	Various Private Sector	330	2,440	(1,939)	831
Gifts in Kind to support our programmes	Various	-	5,579	(5,579)	-
Barriers to Employment Programme	Various Private Sector	230	905	(882)	253
RFW	People's Postcode Lottery	125	360	(305)	180
Employment & Skills	City & Guilds / Various Private Sector	106	270	(366)	10
International Campaign	Various Private Sector	148	238	(123)	263
International Tourism Partners	Various Private Sector	288	557	(558)	287
Business Engagement on Disaster Relief	DFID	-	122	(122)	-
Scottish National Action Plan	Scottish Government	-	239	(239)	-
Employability for All	CEC	-	197	(197)	-
Black Country "Passport to Employment" Project	CEC Black Country	-	88	(88)	-
Business Emergency Resilience Group	Various Private Sector	48	313	(294)	67
Corporate Stewardship for Healthy Ecosystems	DEFRA	-	175	(175)	-
Great Yarmouth Neighbourhoods That Work	Great Yarmouth Borough Council	23	46	(69)	-
Charter, NI	Public Sector	21	95	(111)	5
Social Enterprise NI	Department for Trade & Investment	75	200	(190)	85
Welsh Business Class	Welsh Government	-	198	(198)	-
Lifeskills – Scotland	Barclays	-	122	(71)	51
Lifeskills – Wales	Barclays	8	101	(89)	20

4. Employee Numbers

a) Staff Numbers

At 30 June 2018, the Group employed (excluding Directors) 305 salaried persons (2017: 323). These staff were employed in the following activities:

	Total as at 30 June 2018	Total as at 30 June 2017
Direct Charitable Activities	247	267
Central Support Services	29	24
Corporate Communications, Strategy & Management	29	32
Total Number of members of staff	305	323

Included within direct charitable activities were redundancy and severance payments of £101k. All these payments were made before 30 June 2018.

Throughout the year, the Group employed an average of 303 staff (2017: 341). The full time equivalent of these staff is 272 (2017: 310).

In addition, the Group enjoyed, throughout the year, the services of the equivalent of 38 (2017: 58) full time employees seconded by member companies, public sector and other organisations. 35 of these employees were seconded to the Connector Programme (2017: 54). The cost of these secondees is included in the financial statements as if they had been employed directly by the Group at an additional annual cost of approximately £2,882k (2017: £4,425k) in relation to the Connector Programme and £231k (2017: £157k) in relation to other campaigns.

b) Analysis of Cost of salaries

	Year ended 30 June 2018	Year ended 30 June 2017
	£000	£000
Total Gross Wages and Salaries	10,587	12,130
Employer's National Insurance Contributions	1,030	1,156
Pension Contributions	656	727
Total Cost of Salaries	12,273	14,013

In addition to the contributions to pension schemes, the Group also provides life cover for employees of four times annual salary, at a cost of £33k (2017: £34k).

c) Number of employees who earned £60,000 or more in income bands (including taxable benefits)

	Year ended 30 June 2018	Year ended 30 June 2017
£160,000 - £169,999	1	0
£130,000 - £139,999	0	1
£120,000 - £129,999	0	3
£110,000 - £119,999	1	0
£100,000 - £109,999	3	1
£90,000 - £99,999	5	5
£80,000 - £89,999	2	4
£70,000 - £79,999	6	5
£60,000 - £69,999	5	8

Paid into defined contribution schemes and in respect of 22 (2017: 26) of the above employees, the total employer's pension contributions amounted to £124k (2017: £157k).

d) Key Personnel

These are senior staff within the organisation as well as the Nation directors. Senior staff list can be found in the Governance section at the end of the accounts.

Collectively, they received total remuneration including employers NI and employer pension contributions of £1,312k (2017: £1,734k).

The setting of pay including those employees who are Key Personnel is based on benchmarking against similar size and types of organisation. Overall pay increase levels are authorised by the board.

5. Fixed Assets – Tangible Assets

	Freehold Land £000	Long Leasehold Property £000	Short Leasehold Improvements £000	Equipment, Fixtures and Fittings £000	Vehicles £000	Total £000
Cost						
At 1 July 2017	240	1,108	266	208	7	1,829
Adjustment to opening balance	-	-	-	-	-	-
Additions	-	-	-	12	-	12
At 30 June 2018	240	1,108	266	220	7	1,841
 Depreciation						
At 1 July 2017	-	443	145	171	3	762
Charge for the period	-	36	36	20	1	93
At 30 June 2018	-	479	181	191	4	855
 Net Book Values						
At 30 June 2018	240	629	85	29	3	986
At 30 June 2017	240	665	121	37	4	1,067

Note: The long-leasehold property includes the cost of land and buildings of £372k and the cost of refurbishing the building of £137k.

There are charges over the office premises in Northern Ireland in favour of the International Fund for Ireland and Department for Social Development relating to the development of the BEAM project in Derry.

6. Investments

a) Subsidiary Companies

Business in the Community has a wholly-owned subsidiary, BITC Trading & Advisory Ltd a company incorporated in England and Wales (company number 02210750) whose results are consolidated within these accounts. Its cost to the company of £3 is included in debtors.

The Prince's Countryside Fund (company number 07240359, charity number 1136077), was established as a wholly owned subsidiary of Business in the Community to support rural and farming initiatives. It commenced trading on 1 July 2010. This charity has a trading subsidiary, Countryside Fund Trading Ltd (company number 07274582) which also commenced trading on 1 July 2010. Both the PCF and its trading arm, with a total reserve of £831k, were transferred to The Prince of Wales's Charitable Fund on 1st July 2017.

On 31 July 2017 BITC took control of Trading for Good Ltd, Company number 08264671. The company was acquired for £1. The value of the assets at the date of acquisition were £0.7k, and the value of the liabilities held were £Nil. The excess value of the net assets acquired over the value of the consideration paid has been recognised within income for the year. The company has not traded since the date of acquisition and is dormant at year end. The value of net assets held at year end totalled £Nil and are consolidated in these accounts.

On 1 January 2016, BITC became the sole member of the charity Scottish Business in the Community (company number SC046226). There were no transactions in the year in the charity and it is now being treated as a dormant company.

As at the 30th June 2018 the registered address of all subsidiaries was 137 Shepherdess Walk, London, N1 7RQ.

b) Results of Subsidiary Companies in the year to 30 June 2018

Income and Expenditure Accounts

	BITC T&A
	£000
Incoming Resources	1,437
Gift Aid (Payable)/Receivable	(977)
Grants Made	-
Grant Paid to Parent	-
Management Costs	(460)
Result of ordinary activities before and after taxation	-

Balance Sheet for Subsidiary Companies at 30 June 2018

	BITC T&A
	£000
Trade Debtors	237
Other Debtors	31
Amounts due from Group Companies	-
Cash	225
Amounts due to Group Companies	(104)
Amounts due to third parties	(389)
Net Reserves	-

7. Debtors and Prepayments

	Consolidated 30 June 2018 £000	BITC 30 June 2018 £000	Consolidated 30 June 2017 £000	BITC 30 June 2017 £000
Trade Debtors	2,589	2,352	2,291	2,030
Intercompany Debtor	-	104	-	22
Other Debtors	86	86	103	103
Accrued Income	566	534	612	529
Prepayments	442	442	464	464
Total Debtors	3,683	3,518	3,470	3,148

8. Cash at Bank and In Hand

	Consolidated 30 June 2018 £000	BITC 30 June 2018 £000	Consolidated 30 June 2017 £000	BITC 30 June 2017 £000
Current Accounts	3	3	4	4
Interest Bearing Accounts	3,307	3,082	7,613	4,913
Total Cash & Cash Equivalents	3,310	3,085	7,617	4,917

9. Creditors: Amount Falling Due Within One Year

	Consolidated 30 June 2018 £000	BITC 30 June 2018 £000	Consolidated 30 June 2017 £000	BITC 30 June 2017 £000
Trade Creditors	268	268	149	149
Other Creditors	447	447	488	488
Amounts due to a Grant Recipient	-	-	1,318*	-
Intercompany Creditor	-	-	-	237
Taxation and Social Security Costs	599	599	560	560
Membership Contributions in advance	354	338	610	610
Fees and other income in advance (Note 12)	2,693	2,329	2,284	1,735
Accrued Expenditure	613	604	883	769
Total Creditors falling due within one year	4,974	4,585	6,292	4,548

*In association with the transfer of PCF

10. Creditors > 1 year

	Consolidated 30 June 2018 £000	BITC 30 June 2018 £000	Consolidated 30 June 2017 £000	BITC 30 June 2017 £000
Amounts due 2 to 5 years				
Amounts due to grant recipients	-	-	448	-
Total creditors > 1 year	-	-	448	-

11. Analysis of net assets between consolidated funds at 30 June 2018

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Tangible Fixed Assets	565	-	421	986
Net Current assets	968	1,051	-	2,019
Liabilities > 1 year	-	-	-	-
Total net assets	1,533	1,051	421	3,005

Unrestricted funds comprise income funds that represent the company's reserves and the fixed assets and investments acquired with such funds.

Restricted funds comprise income funds obtained to undertake the company's activities, where such funds have been given for specific purposes. The balances carried forward at the end of the year represent the net current assets that comprise the individual balances of the funds received for specific purposes in advance of the related expenditure being incurred.

Transfers between the funds occur through the allocation of corporate support costs to activities financed by restricted funds.

Analysis of net assets between consolidated funds at 30 June 2017

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Tangible Fixed Assets	626	-	441	1,067
Net Current assets	1,920	2,875	-	4,795
Liabilities > 1 year	-	(448)	-	(448)
Total net assets	2,546	2,427	441	5,414

12. Analysis of movement in fees and other income in advance

Where income is received that requires BITC to meet specific commitments arising, or services to be delivered, after the balance sheet date, they are carried forward as fees and other funds in advance and released when those commitments are delivered.

	Brought Forward 1 July 2017	Released During Year	Deferred During Year	Carried Forward 30 June 2018
	£000	£000	£000	£000
Membership Services	-	-	827	827
Membership of Campaigns	708	(708)	697	697
Employee Volunteering	120	(120)	30	30
Projects, Programmes & Events	1,255	(1,232)	993	1016
Business Class	201	(201)	123	123
Total	2,284	(2,261)	2,670	2,693

13. Grants payable

	Brought Forward 1 July 2017	Transferred to PWCF	Payments made during the year	Carried Forward 30 June 2018
	£000	£000	£000	£000
Grants Payable	1,766	(1,766)	-	-

14. Lease Commitments

The company has financial commitments in respect of operating leases for land and buildings which will terminate after five years from the Balance Sheet date, and office equipment which will terminate between one and five years from the Balance Sheet date. The total amount of future minimum lease payments under non-cancellable operating leases are:

a)		£000
(i)	Not later than one year	408
(ii)	Later than one year and not later than five years	1,015
(iii)	Later than five years	26
b)	Lease payments recognised as an expense	443

15. Capital Commitments

No material capital commitments were contracted for at 30 June 2018 (2017: £nil).

16. Taxation

As a registered charity Business in the Community is entitled to certain exemptions from corporation tax on profits from investments and any trading activities carried on in furtherance of the Charity's primary objectives. Subsidiary trading companies pay any taxable profits to the Charity each year as Gift Aid and thus do not incur corporation tax.

17. Related Party Transactions

Details of the income and expenditure positions and balance sheets for the subsidiaries are shown in note 6 to the accounts. During the year the Charity received gift aid from BITC Advisory Services Limited of £977k (2017: £956k). At the year end the amounts owed to/(by) the Charity were as follows:

Subsidiary	June 2018	June 2017
The Prince's Countryside Fund	-	3
Countryside Fund Trading	-	19
BITC Trading and Advisory	104	(268)

In FY 2017, Business in the Community charged Prince's Countryside Fund £70k for support costs including accommodation charges.

There were no further transactions between the charity and related parties in the year. The transactions with companies whose directors are Board members fall outside the disclosure requirements as they do not comprise related party transactions within the definition of the charities SORP. All such transactions including those disclosed have been carried out in the normal course of the charity's activities.

18. Financial Instruments

At the balance sheet date, the consolidated group held financial assets at amortised cost comprising cash and short-term deposits, trade debtors, other debtors and accrued income of £6,551k (2017: £10,623k) and financial liabilities at amortised cost, compromising trade creditors, other creditors and accrued expenditure of £1,328k (2017: £2,838k). Total interest income received in respect of financial assets held at amortised cost totalled £8k (2017: £16k).

19. Business Names

The names used by Business in the Community for its principal initiatives are:

The Prince's Business Emergency Resilience Group (BERG)	Engaging business to help communities across the UK to prepare for, respond to and recover from emergencies
Responsible Business Awards	Recognise and promote best practice within all aspects responsible business
ARC	Encouraging Social Enterprise
The Prince's Responsible Business Ambassadors	Empowering other organisations to deliver on the Prince's priorities on responsible business
The Prince's Seeing is Believing programme	Providing social insights for business leaders
Access the Buyer Ban the Box Business Action on Homelessness/Ready for Work/Ready to Go Business Class Business Connectors Employee Volunteering CommunityMark CR Academy Engage Give & Gain Day Healthy High Streets Mosaic / Enterprise Challenge Talent & Skills The Responsible Business Tracker The Responsible Business Map Waste to Wealth Pride of Place	Engage business to build sustainable and inclusive communities
Prohelp Opportunity Now Race for Opportunity Age at Work Wellbeing at work	Diversity in the workplace
International Tourism Partnership Youth Career Initiative	Encourage sustainable and responsible practice within the hospitality industry
Arts & Business Arts & Culture	Using art and business support to regenerate communities and stimulate economic growth

Acknowledgements

Our funds are received from many public, private and charitable sources, all of which are essential to our continued engagement and are valued and appreciated by BITC and its campaigns and regions. As the number of our supporters is considerable, we only list below those funds that we received during the year which are required to be disclosed under the terms of their funding agreements. All funds are applied in accordance with the terms of such funding agreements. These listed are not all and not necessarily the largest of the funds received, all of which have contributed to the activities undertaken during the year.

Provider	Project	FY 2017/18
Age NI	Age @ Work in NI, Scotland and Wales	20,722
Barclays	Delivery of Life Skills in NI	121,355
Barclays	Delivery of Life Skills in Scotland	112,500
Barclays	Delivery of Life Skills in Wales	105,458
Belfast Harbour Commissioners	Biodiversity Programme	5,000
Belfast Harbour Commissioners	Time to Code	10,000
Big Lottery Fund	Addiction NI - Drink Wise Age Well	55,321
Big Lottery Fund	Business Connectors Project	595,722
Big Lottery Fund and ESF Building Better Opportunities	Able, Capable & Employed, Groundwork London	3,336
Big Lottery Fund and ESF Building Better Opportunities	Sheffield City Region, SYHA	24,771
Big Lottery Fund and ESF Building Better Opportunities	Stronger Families, Leeds CC	44,258
Big Lottery Fund and ESF Building Better Opportunities	Voluntary Action Leicestershire, The Great Project	35,483
Big Lottery Fund and ESF Building Better Opportunities	West of England Works Project (Weston College)	57,099
Big Lottery Fund and First Housing	#Work it Out, NI	24,611
Big Lottery Grant	Coventry & Warwickshire Talent Match	15,000
Bombardier	City Wide Employers Forum	25,000
Bristol City Council	Bridge the Gap	9,227
British Telecom	Time to Code	5,000
DEFRA	Corporate Stewardship for Healthy Ecosystems	100,000
DEFRA	Surface Water Drainage	50,000
Department For Communities NI	Creativity Month	9,908
Department for International Development	Support for International Disaster Relief Award	142,969
Department for the Economy NI	Social Enterprise NI	87,340
Department for Works and Pensions	Bradford Ready for Work	19,660
Department of Agriculture, Environment & Rural Affairs NI	Circular Economy	67,950
Department of Education for NI	Charter: Work Inspiration	100,000
Department of Education for NI	Time to Count Programme	10,000
Department of Education for NI	Time to Read Programme	50,000
Department of Finance and Personnel NI	Digital Assist	28,000
Education Authority Northern Ireland	TBUC	8,565
ESB Energy	Community Apprenticeship	6,878

Field Studies Council	Green Entrepreneurs Europe	5,878
FIT	Youth Empowered Programme	7,628
Gems NI Ltd	Employment East	14,679
GMCVO	Future Proof Project	11,000
Great Yarmouth Borough Council	Neighbourhoods That Work Project	86,168
Hartlepool Borough Council	Tees Valley Routeways Project, HBC	57,366
Prince of Wales's Charitable Foundation	Award for Branding	50,000
Prince of Wales's Charitable Foundation	PPL Management, Scotland	20,000
Prince of Wales's Charitable Foundation	Ready For Work	289,550
Prince of Wales's Charitable Foundation	Ready For Work Programme, Scotland	50,000
Public Health Agency, NI	Healthy Working Lives Conference	15,200
Scottish Government	Food For Thought	100,408
Scottish Government	Safer Communities - Business Class	18,750
Scottish Government	Safer Communities - Ready For Work	22,500
Scottish Government	Scottish National Action Plan	200,000
The Royal British Legion	Employment for Ex-Service Personnel	28,952
Triax Taskforce	Skills NW	5,733
United Utilities	9 Billion Challenge Water project	61,500
Westfield Health	Engagement Calendar	5,000

GOVERNANCE

Directors

The directors, who are the trustees, are elected by a decision of the Board. Directors are eligible for re-election every 3 years and are re-appointed to be a trustee by ordinary resolution of the Members. A list of present directors and those who also served during the year is set out at the end of this document.

The Board of Trustee Directors' role is to determine the charity's mission and purpose whilst guarding its ethos & values and ensuring that the charitable purposes as laid out in the constitution are upheld. The Board is responsible for ensuring that the charity complies with all legal and regulatory requirements, and wherever possible, upholds high standards of good governance. The Board ensures the provision of effective fiscal oversight and sound risk management, approves the Strategic Plan and annual financial statement and budget and ensures that finances are handled in the best interests of the charity.

The Board has detailed terms of reference which were updated this year. The Finance & Risk Committee is responsible for supervising the financial affairs of the charity and the Audit Committee for compliance and policy. The Executive Team provides day-to-day management of the charity and monitors performance throughout the year. BITC has Advisory Boards in the Nations of Northern Ireland, Scotland and Wales, and the Chairs of those advisory boards are trustees who sit on the national Board of Trustees.

Incoming trustees receive an induction into the work of the charity and meet with the Chairman, Chief Executive, Company Secretary and Finance Director.

The Remuneration Committee of the Board is responsible for setting the annual pay review for staff, after consideration of external benchmarking within the charity sector.

Over the last 18 months Business in the Community has undertaken a review of its governance and in so doing has looked to adhere to the Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. As part of this process the following actions have been taken:

- The Company Secretary, on behalf of the Board, reviewed and updated the Board's terms of reference, the list of matters reserved for the Board and its sub-committees, and the delegated authority levels granted to the executive from the Board
- Reviewed its membership and size in relation to the Charity Governance Code and approved a new structure with the introduction of some new non-board committees to involve a wider group of stakeholders. As a result, the board has decreased to a size in line with the Charity Governance Code.

Following these actions and the review the Board is satisfied that the Charity applies the principles of the code within its current governance arrangements.

Governance

The full **Board** met four times in the year. The role of the Board is to determine the charity's mission and purpose, and to guard its ethos and values. During the year the Board:

- Reviewed and agreed the business plan for the coming year and the focus of activities for 17/18, including 4 breakthrough goals for the charity;
- Agreed the budget for the year commencing 1 July 2017 and monitored financial performance through the Finance & Risk Committee, and risk through the work of both the Audit Committee and the Finance & Risk Committee;
- Approved the Report & Accounts for the year ended 30 June 2017 and recommended their adoption by members in general meeting;
- Took recommendations from the Nominations Committee on the appointment of the new Chairman to succeed Antony Jenkins, and appointed Jeremy Darroch for a 3-year term;
- Refreshed and approved the Board's terms of reference in line with Charity Commission guidance;
- Developed and approved brand changes to Business in the Community following the review of The Prince's Charities;
- Approved the transfer of Trading for Good Ltd to Business in the Community to enable more SMEs to get involved in their local communities;
- Delegated authority to the Finance & Risk Committee to ensure that BITC was GDPR compliant;
- Took a report on Safeguarding from the executive and was assured of the robustness of the Policy and Framework.

The **Finance & Risk Committee** met four times in the year to supervise the financial affairs of the Charity in relation to the plans approved by the Board, to report to the Board any significant variances against these plans, to review the risk to which the Charity is exposed and to drive through compliance for the incoming GDPR legislation.

The Audit Committee met three times in the reporting period, to oversee the risk management and controls framework, review the accounting policies and financial statements, oversee the relationship with external auditors and the procedures in place for Safeguarding and detecting fraud and whistle-blowing.

Work also took place with the members of the Board and the Committees outside of the formal meetings.

Our trustees are those individuals who have taken a leadership role in our campaigns and programmes, those who lead the Nations of Scotland, Wales and Northern Ireland, and those who lead or participate in one of the finance sub-committees.

GOVERNANCE

Royal Founding Patron

HRH The Prince of Wales KG KT PC GCB OM

The present directors of the company are as follows:

Chairman

Jeremy Darroch

Group Chief Executive, Sky
(appointed a trustee on 3 November 2017 and became
Chairman on 1 January 2018)

Vice Chairman

Steve Holliday

Defra Lead Non-Executive Director
Chairman, Crisis
Vice Chairman, Careers and Enterprise Company

Directors

Roy Adair CBE

Richard Hutton²

Finance Director,
Greggs

Mike Still

Non-Executive Chairman,
Trustify

Christine Hodgson

Chairman,
Capgemini UK

John M Neill CBE¹

Chairman & Group Chief Executive,
Unipart Group

Duncan Tait

Director & Corporate Executive Officer,
Fujitsu

Stephen Hughes²

Group Chief Executive,
Principality Building Society

Jeremy Pocklington²

Director General for Housing and
Building Safety, Ministry of Housing,
Communities and Local Government

Keith Weed

Chief Marketing & Communications
Officer, Unilever

Dame Vivian Hunt

Managing Partner,
McKinsey & Company

John Williams¹

Vice Chair,
Association of Chairs

The following directors have retired, who also served during the year

Claudine Blamey

(retired 23 July 2018)

Phil Hodkinson

Chair, Medical Action Research
for Children
(retired 23 July 2018)

Antony Jenkins

Founder & Executive
Chairman, 10x Future
Technologies
(retired 1 January 2018)

Chris Satterthwaite CBE

Director,
Chime Communications
(retired 23 July 2018)

Paul Drechsler CBE

President, CBI and Chairman
of Bibby Line Group
(retired 14 December 2017)

Christopher Hyman CBE

(retired 23 July 2018)

Adrian Joseph

Partner, EY
(retired 23 July 2018)

Francesco Vanni d'Archirafi

Chief Executive, Citi Holdings
(retired 23 July 2018)

**The following non-Board members serve on the
Audit Committee**

Joe Greenwell CBE DL

Chairman,
RAC Foundation

Noelia de Carvalho

Director
Financial Services
– Insurance,
Ernst & Young LLP

**The following non-Board members serve on the
Finance and Risk Committee**

Tom Atherton

Deputy Chief Executive,
Dairy Crest Group

Victoria Fakehine

Director of Finance, Royal Air
Force Benevolent Fund

Spencer Sheridan

Chief Financial Officer,
Healthcare at Home

Vice-Presidents

Dame Julia Cleverdon

Sir Stephen O'Brien

Sir Mark Weinberg

Advisors

Bankers

Barclays Bank PLC

1 Churchill Place
London E14 5HP

Solicitors

Bates Wells & Braithwaite

10 Queen Street Place
London EC4R 1BE

Auditors

Crowe U.K. LLP

St Bride's House
10 Salisbury Square
London EC4Y 8EH

Business in the Community's Senior Staff are as follows

Chief Executive

Amanda Mackenzie OBE

Interim Director, Operations England

Liz Needleman

Director, Sustainability, Innovation
and Sectors

Stephen Farrant

Interim Director, People Campaigns

Catherine Sermon

Director, Strategy and Communications

Gail Greengross LVO

Company Secretary

Lesley Wolfenden LVO

Director, People and Culture

Sandra Knowles

Director, Membership and Nations

Jane Wood

Country Directors

Scotland

Alan Thornburrow

Northern Ireland

Kieran Harding

Wales

Matt Appleby

In addition, the following members of staff served as key personnel during the year

Paul Buchanan

Director, People and Place
(on secondment to Sky)

Françoise Seacroft

Director, Human Resources
(left May 2018)

Leadership Team Chairs

The Prince's Seeing
is Believing Programme
Dame Vivian Hunt
Managing Partner,
McKinsey & Company

Age
Andy Briggs
Chief Executive, Aviva UK
& Ireland Life

The Prince's Business Emergency
Resilience Group
Mike Still
Non-Executive Chairman, Trustify

Gender
Dame Helena Morrissey
Head of Personal Investing, LGIM

Place
Steve Rowe
Chief Executive, Marks & Spencer

Race
Richard Iferenta
Partner, KPMG

Environment
Tim Doubleday
Chief Financial Officer, Burger King

Wellbeing
David Oldfield
Group Director & CEO of
Commercial Banking,
Lloyds Banking Group

Global Goals
Keith Weed
Chief Marketing and Communications
Officer, Unilever

Education
David Soanes
UK Country Head, UBS

International Tourism Partnership
Wolfgang M. Neumann
Non-Executive Director,
Radisson Hotel Group

Employment & Skills
John Holland-Kaye
Chief Executive,
Heathrow Airport

Registration Details

Business in the Community is registered as a charity in England and Wales (297716) and Scotland (SC046226)
Company limited by guarantee No 1619253.

Registered Office: 137 Shepherdess Walk, London N1 7RQ Telephone 020 7566 8650

Website: www.bitc.org.uk

Advisory Board Chairs

East of England
Peter Simpson
Chief Executive Officer,
Anglian Water Group

West Midlands
Simon Jonsson
Partner, KPMG

Yorkshire and Humber
Richard Flint
Chief Executive, Yorkshire Water
and Kelda Group

Scotland
Mike Still
Non-Executive Chairman, Trustify

Wales
Steve Hughes
Group Chief Executive,
Principality Building Society

Northern Ireland
Moya Johnston MBE
Vice President, Survitec Group



BUSINESS
IN THE
COMMUNITY

The Prince's
Responsible
Business Network

Business in the Community

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London N1 7RQ

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