

**THE CENTRE  
FOR  
TOMORROW'S COMPANY**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR  
ENDED 31 MARCH 2013**

<b>Contents</b>	<b>Page</b>
<b>Legal and administrative information</b>	<b>02</b>
<b>Report of the trustees</b>	<b>03</b>
1. <b>About Tomorrow's Company</b>	<b>04</b>
2. <b>Our Achievements &amp; Impact</b>	<b>06</b>
3. <b>Finances</b>	<b>20</b>
4. <b>Looking ahead</b>	<b>22</b>
<b>Statement of Trustees' Responsibilities</b>	<b>23</b>
<b>Independent Auditors' Report to the Members of Centre for Tomorrow's Company</b>	<b>25</b>
<b>Statement of Financial Activities</b>	<b>27</b>
<b>Balance Sheet</b>	<b>29</b>
<b>Notes to the Financial Statements</b>	<b>30</b>

## **Legal and administrative information**

### **Trustees**

Barrie Collins (Chairman)  
Professor John Fyfe (resigned 26 June 2012)  
Jean Gomm  
Mark Goyder  
Paul Howard (resigned 18 September 2012)  
Maria Johannessen  
Margo Miller  
Adrian Laycock  
David Phillips  
Mark Wade

### **Chief Executive**

Tony Manwaring

### **Secretary**

Julian Baddeley (appointed 20 November 2012)

### **Registered Office and Business Address**

Samuel House  
6 St Alban's Street  
London SW1Y 4SQ

### **Auditor**

Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

### **Bankers**

The Co-operative Bank  
80 Cornhill  
London  
EC3V 3NJ

CAF Bank Limited  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ

## **Report of the trustees**

The trustees are pleased to present their report together with the financial statements of Tomorrow's Company for the year ended 31 March 2013.

The legal and administrative information set out on page 2 forms part of this report.

The financial statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities (revised March 2005). The report and statements also comply with the Companies Act 2006 as the organisation was incorporated by guarantee in 1996. It has no share capital and is a registered charity. The guarantee of each member is limited to £10. The governing document is the Memorandum and Articles of Association of the Company and members of the board of trustees are the Directors of the company. Tomorrow's Company is a charity (no. 1055908) and registered with Companies House (no. 3164984).

In setting the objectives and planning the activities of Tomorrow's Company, the Trustees have given due regard to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The trustees are satisfied that the selection of activities and the publication and dissemination of our work (as described on pages 4 to 6) fully meet the public benefit requirement.

# 1 About Tomorrow's Company

## Introduction

**Tomorrow's Company is shaping the future of business success to build lasting value.**

We are a London based global think tank delivering value for business leaders and owners by addressing the systemic and behavioural questions of the business world. We defined the inclusive duties of directors for the UK's Companies Act 2006; our work on financial markets informed the creation of the UN PRI; our thought leadership is at the heart of the UK Stewardship Code and of the integrated reporting movement; King III in South Africa acknowledges our influence. We believe business can and should be a force for good. We inspire generations of business leaders to shape the way they do business. Our work today will restore the licence for business to operate and for businesses to be successful tomorrow.

## Objects of the charity

The Charity's objects are the advancement of the education of the public in business, commerce, industry, employment and related subjects with particular reference to the principles known as the "inclusive approach" as set out in the 'Report of the Tomorrow's Company Inquiry' published in June 1995 by The Royal Society for the encouragement of Arts, Manufactures & Commerce.

## Our purpose

We articulate this through our brand:

*"Tomorrow's Company is shaping the future of business success to build lasting value."*

Tomorrow's Company achieves its primary purpose delivering public benefit through education, research and policy work on the one hand, and engagement, communications and advocacy on the other. Tomorrow's Company is more than a set of compelling ideas. It is a community of people and organisations with whom we are all engaged, we place relationships at the heart of things and make those ideas happen over a period of years in a persistent and systematic way,

## Our strategic objectives

Our strategic objectives are set out below. These reflect our objects and powers and encompass the range of impacts we seek to achieve as well as how we aim to run our organisation.

- To provide thought leadership in our chosen fields of work, using our collective abilities, capturing ideas and learning, and engaging in agenda-setting research leading to practical outcomes.
- To develop a strong and powerful brand, consistently and powerfully promoted, which ensures that we are telling the same story, which makes equal and common sense for all our stakeholders and for those beyond.
- To recruit and retain members, partners and donors from all stakeholder groups.
- To provide advice and support based on our thought leadership.
- To act as a community and focal point for our members, partners and other interested parties by facilitating debate and encouraging learning

## **Structure, Governance and management**

### **Recruitment of trustees**

When a place on the board of trustees becomes vacant Tomorrow's Company advertises the vacancy to its network and through its channel of relationships and connections and on vacancy platforms. The Board, with staff, form a nominations committee to oversee the long and shortlisting of candidates for the post. Once the long list has been selected the candidates are interviewed. Following the interview the candidates receive feedback and an offer is made to the successful candidate.

### **Induction of trustees**

The induction for each trustee is tailored to individual needs. The trustees enjoy a continuous process of updating around the issues with which we deal. This includes attendance at our events with members and other stakeholder groups, the regular reporting and review of our programme and activities at each board meeting.

### **Board Meetings, Processes and Committees**

- The trustees meet five times per year, four regular board meetings and then one "special" meeting where the management team present an update to trustees on the direction of the organisation in line with its agreed strategy.
- Board reports and Board agendas focus on the following three main areas:
  1. External impacts
  2. Resources, organisation and financial performance
  3. Risk

Regular updates, at the very least on a monthly basis, are sent to trustees via email, including the financial status, with a particular focus on cash flow and the funding pipeline.

There are no permanent sub committees of the board although we have formed an ad hoc Nominations Committee to manage the process of appointments to the Board of Trustees.

### **Our team as at 31 March 2013:**

Tony Manwaring – Chief Executive

#### **Senior Management Team**

Mark Goyder – Founder Director

Emma Barklamb – Chief Operating Officer

Grahame Broadbelt – Director of Development

Pat Cleverly – Director of Research, Strategy & Policy

Luisa Bramao Ramos – Head of Strategic Communications

Alexander Cowie – Research Analyst and Secretary to the Good Governance Forum

Claire Dobson – Executive Assistant

Anna Jones - Researcher

Angela Murray – Head of Finance and Administration

Philip Sadler – Senior Fellow

Sonia Singh - Researcher

Carl Spreadborough – Corporate Responsibility Group Programme Manager

Jasmin Tutt – Events and Communications Manager

Patrick Taylor – CRG Programme Coordinator

We also received considerable support from our team of researchers and volunteers.

## **2. Our Achievements & Impact**

### **Our history**

In 1993, the Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA) initiated a business-led inquiry into 'the role of business in a changing world'. The objective was to develop a shared vision of the company of tomorrow. The findings of the Inquiry, published in 1995, introduced the concept of an inclusive approach to business success in which a company:

- defines and communicates its purpose and values
- develops a unique success model
- places a positive value on each of its relationships
- works in partnership with stakeholders
- maintains a healthy reputation.

The Centre for Tomorrow's Company (CTC or 'Tomorrow's Company') was founded in 1996 following the success of the Tomorrow's Company Inquiry, and in response to demand from businesses involved in the inquiry to carry forward the work that started in the inquiry. The majority of our income continues to come from the membership subscriptions, donations and sponsorship by businesses that share our vision and work with us to shape our agenda and help realise our objectives.

For two decades we've worked with a wide range of people who share our view that companies succeed in the long-term when they serve the interests of employees and societies as well as their shareholders. We have been pioneers in examining what this means in practice with regard to issues from company law to climate change. Our success is attributable to the relationships we have forged with members, partners, friends and supporters.

## Recognition of impact – Tomorrow's Company in the news

Tomorrow's Company is all about relationships, we put relationships at the heart of things. Our relationships and the importance we place on them mean that the impact of Tomorrow's Company has been progressive and cumulative over many years.

Every relationship with Tomorrow's Company is different. However, it is always designed, in different ways, to deepen the understanding of the role of business in society. How it creates wealth and equips business and other decision makers to be more effective at creating and sustaining value in a fast changing world. It is through our relationships that we aim to inspire generations of business leaders to shape the way they do business.

Tomorrow's Company is increasingly providing commentary on the case for change in our financial markets. On 28 November 2012, Tomorrow's Company Chief Executive, Tony Manwaring wrote for the Guardian Website, arguing that "that there is the desire, interest and willingness of key players in financial markets to achieve fundamental reform. There are lots of good, decent, talented people in financial markets, with considerable expertise: that's important because change won't happen without them."

Tony Manwaring plays a significant role in The City Values Forum, chairing their Events Committee. The CVF was established as a result of the Lord Mayor of London's initiative, Restoring Trust. The CVF makes the case for values-based leadership and is, as importantly for Tomorrow's Company developing practical tools and resources for change in relation to the boardroom, performance management and organisational development.

Mark Goyder, Founder Director, has regularly appeared for the BBC as part of a panel of guests discussing business issues. On 19 February 2013 Mark appeared for the BBC World Service's 'In the Balance' programme. The programme specifically tackled the issue of consumer confidence and restoring trust. Tomorrow's Company works today to help business restore their licence to operate and to ensure that businesses can and will be successful tomorrow.

Our events attract high profile speakers, audiences and media. The Daily Telegraph's City Diary noted the attendance of the M&S Chairman at our annual parliamentary reception hosted by Lord Haskell. "Robert Swannell took to the stage at the Tomorrow's Company event to bang the drum for "business success through integrity". References to the retailer's Plan A scheme came thick and fast: it has brought net benefits of £185m over five years... Swannell, who is fully converted to the ethical initiative."

In March Dick Olver, Chairman of BAE Systems addressed a Tomorrow's Company audience in a personal keynote address. 'The Manufacturer' described the Chairman's speech as refreshingly frank. Describing his contribution as part of the Tomorrow's Value Lecture series in its article as follows, "today was the first time that the chairman had addressed corruption at the firm. Since pleading guilty to false accounting to secure the arms deals of the 80's and 90's Transparency International, an independent organisation ... ranked BAE fourth out of 129 companies in its latest defence industry anti-corruption index."

The Global Accountant had high praise for CIMA and Tomorrow's Company in coverage of an event in October 2012. "CIMA and Tomorrow's Company yet again has delivered another valuable seminar under the Tomorrow's Value lecture series at London's historic Gresham College. A select panel of speakers included Andrew Fisher, Chief Executive of wealth advisers Towry, who delivered a passionate speech on executive pay and performance".



## Agenda Setting Research

Tomorrow's Company defined the 'Triple Context', the dynamic relationship between the global economy, society and the environment that is now used by many business as their definition for success.

Our work, within the overarching frame of the Triple Context is felt in particular across our three broad topic areas;

- Governance and stewardship
- Leadership and talent
- Sustainability and models of business success

### At the heart of these three themes resides the topic of Tomorrow's Value

The **Tomorrow's Relationships** project, in partnership with CIMA, CIPD and KPMG, is concerned with finding the resolution to a paradox that must be solved: we count everything in monetary terms, yet what really drives value is relationships. How do relationships deliver value and how do we make the best of the relationships we have with our employees, suppliers, customers and the media?

The predominant concerns of Tomorrow's Relationships are what well managed relationships look like, what the purpose of relationships are in business and how can we measure and thus manage the relationships that we have. We explore how businesses are already dealing with their relationships and if any of them are using models of frameworks to maximise the return on their relationships.

A wider and deeper definition of long-term value states that value is co-created, and takes into account the 'triple context'. If value is co-created then necessarily and in practice all value lies within human relationships. We propose to explore and define a methodology that better analyses and measures this type of value: its resilience, quantity and quality.

This project seeks to produce a tool-kit that can be used by all levels of management to manage and measure the relationship capital of a business, both internally and externally, including employees, supply chains and all stakeholders and material relationships. High level principles taken from existing practices and models will be included in the tool-kit to provide paths to more effective and rewarding business relationships.

The **Tomorrow's Value Lecture** series, in partnership with the Chartered Institute of Management Accountants (CIMA). In this series of lectures speakers seek to give answers to the questions emerging from the economic crisis about what business contributes to the wider community, the values it upholds and the link between these values and the value it creates. Seeking to explore and debate ideas about how business value can be redefined to create a road map for a sustainable and prosperous future.

The new year series of Tomorrow's Value began with a celebration of 'The Primacy of Virtue' – Value, Values and Leadership in which Colonel Chris Keeble, a Christian Pilgrim and supernumary fellow at Harris Manchester College, University of Oxford discussed his own leadership insights forged in battle in Goose Green in the Falklands. His story shed a powerful light on leadership and challenged the audience to recognise an ethical imperative and spiritual dimension in war and in peace. The panel were comprised of John Knights, co-founder and chairman of LeaderShape, Simon Langley, UK lead manager for diversity and inclusion, National Grid, Richard Sermon, Chairman of the City Values Forum and former Sheriff of London and Nupur Singh, HR director of Tata Consultancy Services.

In July 2012, John Hurrell, Chief Executive, Airmic, brought the subject of risk to Tomorrow's Value. Against a backdrop of risk management failures across the global economy the lecture invited

discussion on risk blindness, how risk and related issues must be at the core of business strategy and how boards must recognise that this can mean the difference between business failure and success.

Andrew Fisher, Chief Executive of wealth advisers Towry spoke on the controversial subject of executive pay and performance at the October lecture in London's historic Gresham College. Further into the year Robert Swannell gave the keynote address at the Tomorrow's Company Annual Parliamentary Reception hosted by Lord Haskell and under the banner of the Tomorrow's Value Lecture Series. Penny McLoughlin, Executive Director of Marketing, CIMA closed the event at the House of Lords on behalf of CIMA.

Also in November of 2012, Charlie Mayfield spoke at Hogan Lovells International on the case for employee ownership in the context of new business forms. Charlie Mayfield is the Chairman of John Lewis Partnership, he discussed the three core pillars that underpin the JLP business model; authenticity, happiness and accountability. The panel which contributed to the question and answer session following the keynote address comprised Gerald Avison, Chairman of TTP Group, Nita Clarke, Director, IPA, Henry Stewart, Chief Executive, Happy Ltd and Nick Robbins, author of 'the Corporation that changed the world.' Charles Tilley, Chief Executive, CIMA gave concluding remarks and summarised the event's importance in exploring new ideas for Tomorrow's Value, continuing the theme of fresh business forms.

Dick Oliver, Chairman, BAE Systems concluded the Tomorrow's Value Lecture series in a keynote address given at Linklaters LLP, entitled, 'A journey of culture change'. Of particular note in the address was the following observation by the Chairman, that "the longest recession since the 19<sup>th</sup> century, coupled with global connectivity and growing environmental and social awareness, has altered perceptions of business value" and that subsequently "a trusted reputation for principled business conduct delivers hard benefits to the bottom line". The chairman went on to explore a broad range of business issues, including:

- Do multinational corporations really have distinct cultures?
- What is the role of a board in establishing the moral fibre of an organisation?
- How can you even begin to affect a change in culture?
- How do you attempt to drive that vision through every level of the organisation?
- Can it be done – can you really change an organisation's core value principles?

The Tomorrow's Value Lecture Series will continue to ask provocative, thoughtful and agenda setting questions about business and its relationship to its environment, society and the economy.

## Governance and Stewardship

Within this theme we explore several topics, namely:

**Corporate governance** has come under the spotlight as we learn lessons from the financial crisis. We define governance as *"the procedures and practice associated with decision-making, performance and control, which provide structures and satisfy expectations of accountability in large, mainly commercial, organisations"*.

Businesses are engines of value creation and operate within what Tomorrow's Company calls the 'triple context' – where value creation will increasingly depend on integrating social, environmental and economic value drivers. It is an environment where non-financial and intangible assets are significant drivers of corporate performance and where value is often created through collaborative global networks, reshaping traditional boundaries of power, control and influence. This context will increasingly shape board and investor strategies and will frame the governance agenda of the future which will determine future business success. Governance must therefore be increasingly judged by its impact on long-term and sustainable value creation.

**Corporate Stewardship** is the golden thread that connects us all in the system – individuals and our advisors, pension trustees, insurance companies, fund managers and others all the way along the chain, and the regulators and lawmakers who set the rules. We define stewardship as *"the active and responsible management of entrusted resources now and in the longer term, so as to hand them on in better condition."*

### We have:

- Started to describe the incentives and frameworks need to create Tomorrow's Capital Markets
- Produced a series of outputs and practical tool kits from our Good Governance Forum
- published 'Tomorrow's Stewardship: Why stewardship matters' and the Tomorrow's Company Stewardship Manifesto
- initiated the Stewardship Campaign inaugurated with the Manifesto built to help key players make a difference in their stewardship agenda
- developed the Tomorrow's Company Stewardship Principles
- published a report on 'Family Business Stewardship' with the Institute for Family Business
- published a report suggesting how UK company boards could improve their stewardship by changing the way they nominate directors
- helped stimulate the development of the world's first Stewardship Code for Investors further to the elaboration of Tomorrow's Company Stewardship Principles
- already stimulated a widespread interest in governance and stewardship
- investigated Tomorrow's Value: Achieving sustainable financial returns in the form of a guide and tool-kit for Pension Fund Trustees

### In more detail

**Tomorrow's Value** this publication aims to serve as a useful tool for key actors in the financial system, with a particular focus on pension fund trustees, by providing the argument and the confidence for the role they can play in creating value that best generates returns for beneficiaries and that is therefore fit for purpose.

**Tomorrow's Capital Markets** focusses on our belief in the ability of capital markets to act in a way that promotes the long-term sustainability of companies. As they are structured today, this is not being fully realised. Companies and equity markets are key partners. Companies are the engines of wealth creation for societies. The equity capital markets were formed for the purposes of generating long-term capital for companies and through secondary markets, to provide liquidity for the original

investors. We are now in a different era. One where we are facing significant global, social and environmental challenges. Progressive companies recognise that creating long-term sustainable value depends on understanding the interdependency between financial, social and environmental factors. Companies also have the innovative capability and capacity to produce the solutions to many of the challenges facing the world.

Leveraging the financial self-interest of many in the system provides one of the keys to changing the system. Therefore our project Tomorrow's Capital Markets has focussed on what changes to incentives are needed to ensure capital markets are better structured to incentivise sustainable business behaviour.

**2020 Stewardship - Improving the quality of investor stewardship** The UK has the world's first code for investor stewardship. Improving the quality and quantity of investor stewardship will help make the code a working reality. 20/20 vision is needed to clarify what is meant by investor stewardship and to find ways to help investors and companies put this into practice building on many years of progress in UK corporate governance. Introducing value-adding stewardship programmes takes time but we anticipate full and effective implementation will have been achieved by 2020. Our ideas are aimed at the UK, but we believe that they will be of value in other markets.

The findings in this report represent both our own experience and what we have learnt from our dialogues with companies and representative organisations.

## Talent and Leadership

Within this theme we explore two core issues of our work, namely:

**Leadership:** Tomorrow's Company espouses an inclusive approach to leadership, an approach that includes –

- The inspirational and visionary qualities of transformational leadership
- The willingness to learn, and to facilitate the learning of others
- The concept of stewardship – of acting as a custodian of the organisation's reputation and resources
- The perception of leadership as service

**Talent:** Tomorrow's Company believes that a new view of talent is needed – a view that talent is abundant. It is abundant in the sense that it is not a rare quality, but diverse and multifaceted, which everyone has, to some degree and in some form. And taking this view means that there is a wider pool of talent for companies to work with, if they know how to unlock it.

**We have:**

- Convened a forum on the subject of Tomorrow's Global Leaders – how to ensure women reach the top
- We have set up workstreams within TGL designed to help inform the work on understanding how company culture continues to contribute to a failure to successfully build and maintain a pipeline of female talent for the future
- One workstream relates to the 'expectation gap' problem. At the heart of this issue is the sense that companies are not very effective in connecting the work that needs to be done with the skills, capacities and experience of the people that can do that work
- A second workstream has been set up to deal with meritocracy. Who defines 'merit', what is the 'best and brightest' are questions which contain heavy assumptions that could potentially harm the efficiency of the talent pipeline.
- Launched the ground breaking work 'the invisible elephant and the pyramid treasure' in India and the UK
- Produced a series of outputs from our work with the Involvement and Participation Association (IPA) on releasing employee Voice
- Published 'Rethinking Voice' based on in-depth case studies, a large survey of employers and analysis of annual reports. It focuses on how organisations help their employees to speak up, the conditions that have to be in place for voice to flourish, and the contribution it can make to business success

**In more detail**

**Tomorrow's Global Leaders: How to ensure women reach the top** is an exciting project bringing together organisations from different sectors, academics, D&I professionals and professional women's networks. After many years of public debate about – and attempts to solve – the lack of gender balance in organisations we are still at the same stage, women are still under represented in the workplace.

With this project we have the ambition to achieve systemic and lasting change by looking at the impact organisational cultures have on the issue. We recognise that the question is systemic and multi-dimensional. Satiating the leaking pipeline of talented women is an imperative for business success and their value creation. Bolting on new arrangements for flexible working is no longer the solution. Processes are expressions of an organisation's culture. We need to look at the culture first and then processes and structures underpinning that culture to fully understand the barriers which still impede women to reach the top.

**Voice** – This research builds on our initial report, 'Rethinking Voice' and demonstrates the potential of voice to deliver sustainable business success. We show that for voice to work effectively, organisations need to ensure they both get the culture and behaviours right and put in place the structures and processes for employees to express voice. We call for a paradigm shift in our relationships at work, arguing that without active, confident and vocal employees companies and organisations will not be able to achieve success.

With our project partners: BAE Systems, BG/Centrica, HSBC, IAC Group, Unipart Group and TUI Travel along with our knowledge partner, Towers Watson, we have published a compelling paper describing why employee voice matters in successful organisations and what are the best ways of measuring it.

**The Invisible Elephant and the Pyramid Treasure** a new report looking at the unprecedented change in the demands of leadership and the need for leaders who prioritise the true stakeholders of their organisations – customers, employees, suppliers, the community, the planet and the shareholders – rather than putting personal reward first.

The report, sub titled, Tomorrow's Leadership – the transpersonal journey sets out a journey towards the type of leadership that is a better fit for this future. Transpersonal Leadership is a concept developed from 13 years of experience working with senior leaders.

The report was authored by John Knights, Chairman of LeaderShape and published by Tomorrow's Company in partnership with the Chartered Institute of Management Accountants (CIMA), PwC UK, Tata and Korn Ferry Whitehead Mann.

The real wealth of insight – the pyramid treasure – is contained in the 'Eight Integral Competencies of Leadership', which forms the heart of the work. It plots a course from the personal along a pathway to 'Transpersonal – beyond the ego Leadership', that recognises the needs of others. Along this road we develop compassion and wisdom, with humour, deep insight and the courage needed for those who are leading now and in the future.

## Sustainability and Models of Business Success

Within this theme we explore a variety of issues and we have organised them under two categories, namely:

**Big Inquiries** – this category covers all of our larger research pieces, looking at the big systemic issues facing business on their journey to being more sustainable and more successful

**Climate Change** – included in this category is the work Tomorrow's Company have conducted on the topic of climate change

**We have:**

- Formulated a proposal entitled Tomorrow's Inclusive Development, setting out the argument that new solutions can only come out of a new collaborative and generative series of relationships between NGOs, businesses and government. Within and across sectors, Tomorrow's Company make the case for an inter-sectoral structure that outlines what each has to offer the other. No one sector can succeed alone.
- In partnership with Miton Group plc run a programme of lectures and other events entitled Tomorrow's Finance, inviting senior and thoughtful figures from the world of finance to consider what is the purpose of finance and is the finance sector fit for purpose?
- Launched a new initiative with Mazars entitled Business in Society or #bizsoc for short. #Bizsoc will consider the key issues that need to shape the covenant between business and society across Europe in the 21st century
- held a two day conference entitled The Future We Want at the ICAEW in the heart of the City in advance of Rio + 20. Incorporating the thought leadership work of Bob Horn in his Vision 2050 providing the map to a sustainable future.
- Developed a tool-kit for companies who wish to undertake both visioning and realising the "future they want".

**In more detail**

**Tomorrow's Finance** lectures are challenging, often controversial and always stimulating and enjoyable. The aim of the programme is to provide a platform for radical ideas for how the financial system should evolve in the future to the benefit of savers, companies and wider society – ideas which can help address the shortcoming of the system we have today, create a new architecture for the institutions required to fulfil business and society's needs over the coming decades and ensure the finance industry is seen as a force for good. We are drawing on the substantive lecture given by Gervais Williams, Managing Director, Miton Group plc at Mansion House in 2012. The author of the well-received book 'Slow Finance' that focusses on the types of businesses that banks and other financial institutions should finance, the criteria they should adopt and the nature of the relationships which can best secure long term returns.

James Featherby, Chair of the Church of England Ethical Investment Advisory Group spoke in May as part of the series drawing on his book 'Of Markets and Men'. David Pitt-Watson, Chair of Hermes Focus Asset Management spoke in July on Regulation in a provocatively titled lecture – 'the next financial crisis and how to avoid it'.

Matthew Bishop, the US Business Editor and New York Bureau Chief of the Economist also contributed his thought leadership in a lecture at Mansion House in December 2012 entitled 'how to make finance socially useful'.

Professor John Kay spoke in January 2013 at Deloitte's London offices on the subject of 'building trust by changing behaviours in financial services'. And most recently, in February, David Blood, Co-Founder and Senior Partner of Generation Investment Management spoke on the subject of 'Sustainable Capitalism and the transition to a low carbon economy at Berwin Leighton Paisner.

**Business in Society #bizsoc** is an initiative that will draw on the distinctive strengths of the partnership in considering the future of the relationship between business and society in the wake of the financial crisis. It will also seek to address critical underlying trends in the globalisation of business; the emergence of social media; demographics and life expectancy; the expectations of different generations; those related to human rights including labour issues, the environment and climate change, water and other sustainability drivers.

This ambitious and far reaching project will seek the involvement of key stakeholders in forming relationships with and through Tomorrow's Company, including; investors, bankers, employees, board members and those involved in political life as well as NGOs and other organisations – importantly participation from different generations will be encouraged including future business leaders.

David Herbinet, Mazars' UK Head of Public Interest Markets and co-chair of its Steering Group said, "I am very excited by 'Business in Society' and determined that it will have a significant practical impact. It is vital for business that we strengthen the covenant between business and society which has been dangerously weakened in recent times. We must create an inclusive market economy in which everyone has a stake. This will require a sharper focus on innovation, developing people's talents, sustainability and long-term engaged shareholding'.

Tony Manwaring, Chief Executive, Tomorrow's Company and co-chair of the Business in Society Steering Group added, "we must go beyond just defining various models of capitalism -- responsible, caring, stakeholder and so on and focus at a more fundamental level on what is driving the emerging agenda. We need to open up the conversation so that it is proactive and inclusive, confident but humble and, very importantly, systemic and strategic. In India and other emerging economies which will dominate the global landscape in the new century, business is seen as part of society; in Europe all too often we see business as apart from society".



## **Promoting new ideas, frameworks and agendas**

### **Tomorrow's Business Forms**

Tomorrow's Business Forms seeks to determine the best corporate form for both business and society.

Are current forms of ownership and governance meeting the evolving needs of society, and what changes are need to make them better able to do so? Businesses play a vital role: providing essential goods and services, providing jobs, enabling innovation and creating new possibilities in how we work and live. The form that businesses take to best do this is far less often considered. There is a need to check the current forms of ownership and governance against the changing needs of society and make changes to keep the corporate form, corporate purpose and societal needs aligned.

We have come to take for granted the organisational form and legal structure that business takes, and for good reason given the dominance of listed companies and their success. Alternative corporate 'forms' have been seen as interesting exceptions rather than a legitimate and necessary contribution to business bio diversity. Yet there are many examples of organisations whose structures have been designed or adapted to achieve a better mix of commercial and societal purposes, and there is much to be learned from their experience.

Tomorrow's Company, with a select group of project participants, argues that the fundamental drivers of value are changing and as a result, how we define and deliver business success need to be re-thought. It follows that the organisational form which is most fit for purpose may also be changing – and that there may be much that we can learn from different organisational forms for the future.

The Tomorrow's Business Forms project takes a step back to review and consider the pros and cons of different structures and forms through which people, money and technology can be combined to deliver value. The project explores how those forms might evolve in the future, and assess whether current practice, policy, regulation or law stand in the way of creating new structures that might better support long-term sustainable value creation. The project brings together a small number of people and organisations to deepen understanding and achieve fresh thinking on the corporate forms through which long-term sustainable value is best created.

The project has been designed to build on earlier work by Tomorrow's Company and build on the insights of the UK Ownership Commission.

## **Recruit, retain and mobilise members, partners and donors**

### **Corporate Relationships**

The success of Tomorrow's Company in shaping the future of business success owes much to the significant relationships we have established, retained and developed in the course of the last year.

Our individual members, corporate members and project partners have collaborated and co-created our programmes, projects, events and initiatives.

Our partnership with CIMA has resulted in the continuation of the Tomorrow's Value Lecture Series.

Our partnership with CIPD has continued through their involvement in the Tomorrow's Relationships project, also with CIMA and another valued partner KPMG.

The Good Governance Forum is a continuing collaborative undertaking involving among others PwC, Hogan Lovells International, Korn Ferry Whitehead Mann, KPMG, YSC, Wragge & Co LLP, Kingfisher, CIPD and CIMA.

The City Values Forum formed as a result of the Lord Mayor's restoring trust initiative has seen further collaboration between the City, a key stakeholder in our work and Tomorrow's Company.

The Tomorrow's Capital Markets initiative is supported by our partners Aviva and UNEP FI.

The Tomorrow's Finance programme in collaboration with Miton Group plc is ongoing and continues to ask the challenging questions that the financial industry need and want to hear and find answers to.

Business in Society in conjunction with Mazars LLP has launched in Paris, London and Milan.

CMS Cameron McKenna have collaborated with Tomorrow's Company on an initiative entitled Tomorrow's Cities which will continue into the new financial year.

Trustees would like to take this opportunity to thank all companies, individuals and organisations who have contributed to the work of Tomorrow's Company in the previous year.

## **Facilitating debate, generating, linking and exchanging ideas and encouraging learning**

In the course of the year Tomorrow's Company held a total of 22 events, 8 more than in the previous year.

Since its founding in 1996, Tomorrow's Company has published a number of forward-thinking research reports, articles and books. These have been read by and have influenced a large number of key decision-makers in business and government globally.

In the past 12 months Tomorrow's Company has produced the following publications:

- Tomorrow's Capital Markets, June 2012
- The Invisible Elephant & The Pyramid Treasure, May 2012
- As part of the Tomorrow's Finance Lecture Series we have published the following:
  - Of Markets & Men, by James Featherby
  - Regulation – but is it effective? by David Pitt-Watson
  - Why a bird in the hand is really worth two in the bush, by Gervais Williams
  - How to make finance socially useful, by Matthew Bishop
  - Building trust by changing behaviours in financial services, by John Kay
  - Sustainable Capitalism and the transition to a low carbon economy, by David Blood

## **Understanding Future Sources of Sustainable Business Success**

Our research, events programme, corporate relationships and thought leadership have all fed into the development of our thinking, models and thematic agenda.

Tomorrow's Company is proud to train and develop volunteers as part of its programme of engagement with the wider public. The volunteers, who can number up to ten at any one time bring energy and insights, intelligence and intensity to the work of Tomorrow's Company. We understand that our commitment to our volunteer programme is one of the ways in which we seek to ensure we understand future sources of sustainable business success.

Tomorrow's company is shaping the future of business success to build lasting value. As a London based global think tank we are focussed on delivering value for business leaders and owners by addressing the systemic and behavioural questions of the business world.

Our work today will restore the licence for business to operate and for businesses to be successful tomorrow.

### **3 Finances**

#### **Review of the financial year**

The income for the year to 31 March 2013 exceeded £1m for the second time in the organisations history.

A prior year adjustment in respect of capitalising website development costs of £17,143 has been made. The 2012 statement of financial activities, balance sheet and relevant notes have been restated to reflect this.

The net result for the financial year is that our total funds (reserves) have increased by £23,537 to £162,937 from £139,400 (re-stated) in the previous financial year.

#### **Review of income**

Income from donations from our corporate relationships is lower at £390,050 down from £464,167 in the previous year.

Income from other donations is significantly higher at £147,493 up from £52,162 in 2011/12.

We have continued to provide high profile and highly valued research and thought leadership programmes allowing us to strengthen and expand our network of relationships, members and partners, throughout the year. This has been translated into income on research projects of £508,339 this year compared to £404,056 in 2011/12.

Trustees wish to express their deep gratitude to long-standing members, corporate as well as individual, alongside the new members who have joined us in the last financial year.

#### **Gifts in kind**

During the year we have been fortunate to receive £35,000 in gifts in kind. These gifts from corporate partners have helped to facilitate a wide range of activities including meetings and programme events.

#### **Review of expenditure**

Total expenditure shows an increase from £1,016,194 (re-stated) to £1,082,211 the total expenditure is further analysed in note 3 to the accounts. The increase of £66,017 was in line with the budget for the period.

## **Management of risk**

The trustees are responsible for ensuring that Tomorrow's Company has a sound system of internal control to safeguard its funds, and that its policies are implemented and its aims and objectives met. For reasons of cost and practicality the system of internal control is intended to manage rather than eliminate risks, and to give reasonable rather than absolute assurances. The trustees exercise their responsibilities through their board meetings and the system of internal control which includes;

- formal agendas for trustee meetings
- a strategic plan developed with significant trustee input
- monthly management meetings and frequent interim contact between CEO and Chairman;
- a CEO and management team who meet regularly to review progress
- a culture of transparency and consultation, where major decisions and opportunities are clearly communicated to the organisation
- forward planning and budgeting, with regular management accounts and reviews of actual performance by the trustees
- maintenance and regular review of the risk matrix
- regular and active monitoring of cash flow

Like many small charities a major risk is maintaining funding and cash flow to ensure we can continue as a going concern in a period of significant economic uncertainty and retrenchment. In addition, as a campaigning charity the nature of our engagement and the public comments that made are intrinsically linked to our reputation, which is guarded with extreme care.

## **Reserves policy**

The trustees have established a long term policy that the organisation's free reserves should be built up to a sufficient level to cover three months' expenditure plus working capital. At present levels of core activity this equates to a figure of around £300,000.

The trustees have confirmed their commitment to building a strong reserves position whilst recognising the current difficulties in achieving this given the current economic uncertainties.

Last year's reserves were £139,400 re-stated after making a prior year adjustment of £17,143 in respect of capitalising website development costs. During the year we have worked to maintain our position ending the year with a healthier reserve position of £162,936.

## Looking ahead

In the last few years following the financial crisis in 2008 there has been a growing debate about the moral legitimacy of capitalism, the growing gulf between some companies, especially in the financial sector and ordinary citizens.

Tomorrow's Company has for the last sixteen years been responsible for keeping alive the crucial questions which every successful and stable society will need to ask about the role of business and its relationship with the world around it.

A year ago we said in this report that our challenge continues to be the ability to translate this success into a sustainable business model.

Our current range of programmes has been designed to enable the organisation to resource its continuing focus on these questions and reflect and retain value to our wider audience.

Some companies are reluctant to invest in research and thought leadership in uncertain times, our results show that that we are making progress through our hard work and determination as a trustee, staff and volunteer team to shape the future of business success to build lasting value.

The continuing success of our Good Governance Forum and its growing impact is a source of great encouragement. The forum takes the focus of innovation rather than compliance in corporate governance.

Innovative approaches in other fora mean a sustained interest in our agenda.

We continue to supply secretariat services to the Corporate Responsibility Group. In continuing the contract Tomorrow's Company is fulfilling its strategic objective of promoting new ideas, frameworks and agenda and facilitating debate, generating, linking and exchanging ideas and crucially, encouraging learning. The continuance of the CRG contract is enhancing Tomorrow's Company's effectiveness and reach in fulfilling its primary purpose.

## 5 Audit

### Statement of Trustees' Responsibilities

The trustees (who are also directors of the Centre for Tomorrow's Company for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

The trustees are responsible for the maintenance and integrity of the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Each of the Trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charity's auditors are unaware of; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.



This report was approved by the Board of Trustees on 25 June 2013 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Barrie Collins', written over a dotted line.

Barrie Collins  
Chairman

# **Independent Auditors' Report to the Members of Centre for Tomorrow's Company**

We have audited the financial statements of The Centre for Tomorrow's Company for the year ended 31 March 2013 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

## **Respective responsibilities of trustees and auditor**

The trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees' Annual Report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; 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.

*Bonnie W*

Sirron Goodridge (Senior statutory auditor)  
for and on behalf of Buzzacott LLP, Statutory auditor  
130 Wood Street  
London  
EC2V 6DL

25/6/13

# Statement of Financial Activities

(incorporating an Income and Expenditure account)

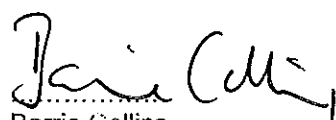
		Total funds (unrestricted)	Total funds (restricted)	Total funds	Total funds Restated
	Notes	2013	2013	2013	2012
		£	£	£	£
<b>Incoming Resources from generated funds</b>					
Donations & subscriptions from members	1(d)	390,050	0	390,050	464,167
Other donations	1(e)	147,493	0	147,493	52,162
Activities for generating funds		0	0	0	66
Interest & investment income		0	0	0	5
Gifts in kind	2(b)	35,000	0	35,000	73,550
<b>Incoming Resources from charitable activities</b>					
Research projects		508,339	0	508,339	404,056
Advisory		9,839	0	9,839	14,100
Events & speaking fees		13,857	0	13,857	13,097
Publications		1,170	0	1,170	1,442
<b>Total incoming resources</b>		<b>1,105,748</b>	<b>0</b>	<b>1,105,748</b>	<b>1,022,645</b>
<b>Resources expended</b>					
<b>Costs of generating funds</b>					
Costs of generating voluntary income		251,384	0	251,384	269,561
<b>Charitable Activities</b>					
Research		482,798	0	482,798	454,555
Advisory		28,609	0	28,609	26,473
Events & speaking engagements		171,807	0	171,807	169,690
Publications		46,918	0	46,918	34,825
Governance costs		100,695	0	100,695	61,090
<b>Total resources expended</b>	3	<b>1,082,211</b>	<b>0</b>	<b>1,082,211</b>	<b>1,016,194</b>
<b>Net income for the year</b>		<b>23,537</b>	<b>0</b>	<b>23,537</b>	<b>6,451</b>
<b>Net Movement in funds</b>		<b>23,537</b>	<b>0</b>	<b>23,537</b>	<b>6,451</b>
<b>Fund balances</b>					
Balances brought forward at 1 April 2012		122,257	0	122,257	132,949
Prior year adjustment		17,143	0	17,143	0
Funds brought forward restated		139,400	0	139,400	132,949
<b>Fund balances</b>		<b>162,937</b>	<b>0</b>	<b>162,937</b>	<b>139,400</b>

The prior year adjustment relates to website costs that were not previously capitalised.  
All income and expenditure arises from continuing activities.  
All recognised gains and losses are included in the Statement of Financial Activities.

**Balance Sheet**

	Notes	2013		2012 as restated	
		£	£	£	£
FIXED ASSETS					
Tangible assets	4	37,153		32,598	
Investment in subsidiary	5	<u>2</u>		<u>2</u>	
			37,155		32,600
CURRENT ASSETS					
Debtors	6	175,043		197,046	
Bank balances and cash in hand		<u>84,435</u>		<u>27,864</u>	
		259,478		224,910	
CREDITORS					
Amounts falling due within one year	7	133,696		115,510	
Deferred income	8	<u>0</u>		<u>2,600</u>	
		133,696		118,110	
NET CURRENT ASSETS			125,782		106,800
NET ASSETS			<u>162,937</u>		<u>139,400</u>
RESERVES					
Restricted Funds			0		0
Unrestricted funds			<u>162,937</u>		<u>139,400</u>
TOTAL FUNDS			<u>162,937</u>		<u>139,400</u>

Approved and authorised for issue by the Board on 25 June 2013

  
 Barrie Collins  
 Director

# NOTES TO THE FINANCIAL STATEMENTS

## 1 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below:

(a) **Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the valuation of investments, in accordance with applicable accounting standards and in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005).

Consolidated accounts have not been prepared as the two subsidiaries have remained dormant this year and are immaterial to the group activity.

(b) **Going concern**

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

At 31 March 2013 the company had unrestricted funds of £162,936. We expect membership renewals of at least £390,050 in 2013/14 allowing for 10% lapsing. The pipeline is strong with further work underway to reinforce and secure new projects and corporate partnerships for the second half of the financial year.

(c) **Tangible fixed assets**

Individual asset purchases over £500 are capitalised. Depreciation has been provided to write off the cost of tangible and intangible fixed assets over their estimated useful lives using the following rates:

Computer equipment	- 25% per annum of cost
Furniture, fixtures and equipment	- 20% per annum of cost
Website	- 20% per annum of cost

The capitalisation of the website has brought about a change in the accounting policy. In the year 2011/12 £17,143 of website expenditure was included in the SOFA, but it was agreed in 2012/13 by the board that the cost of the website should be capitalised over a period of 5 years to reflect the benefit it would bring to the business over the 5 year period. This has resulted in the fixed assets figure 2011/12 being re-stated in note 4. The prior year adjustment has also resulted in £17,143 being credited to the SOFA in 2012/13.

(d) **Donations and subscriptions**

Donation and subscription income, to account for these when the amount of the donation and/or contribution is agreed and invoiced as this is when the contribution is measurable and the charity is entitled to the income.

Donations for activities restricted by the wishes of the donor are taken to restricted funds.

- (e) **Other income**  
Project and other income is included in the financial statements when receivable.
- (f) **Basis of allocation of expenditure**  
Expenditure is allocated between 'costs of generating funds', 'charitable activities' and 'governance costs' either directly or apportioned in accordance with the directors' estimate of the amount attributable to each activity. It is recognised on an accruals basis.  
Membership and fundraising costs are those incurred in seeking voluntary contributions and include the costs of disseminating information in support of the charitable activities. Research, Advisory, Events & speaking engagements and Publications are categories with costs directly and indirectly related to those activities. The indirect costs are those incurred in connection with the administration of the charitable company and compliance with constitutional and statutory requirements. They include salaries, office costs, professional fees and other expenditure.  
The expenses are apportioned over the different categories based on estimated staff time.
- (g) **Pensions**  
The charitable company contributes to certain personal pension plans. A stakeholder pension scheme was set up in August 2009.
- (h) **Gifts in kind and intangible income**  
Intangible income is included at the value to the charitable company where this can be quantified and a third party is bearing the cost. The gifts in kind were for hosting meetings and events, supporting programmes and legal support.
- (i) **Operating leases**  
Rentals payable in respect of operating leases are charged to the Statement of Financial Activities over the period of the lease. Lease incentives, such as rent-free periods, are allocated over the term of the lease on a straight line basis.
- (j) **Fund accounting**  
Restricted funds comprise donations and grants held on trust to be applied for specific purposes.  
Unrestricted funds comprise income which has not been designated for any specific purpose. They are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- (k) **Cash Flow**  
The financial statements do not include a cashflow statement because the charity as a small reporting entity is exempt from the requirement to prepare such a statement under FRS 1 'Cash Flow Statements'



## 2 STATEMENT OF FINANCIAL ACTIVITIES

(a) **Donations & subscriptions from members**

We have seen a high rate of membership retention, and a number of new members.

(b) **Gifts in kind**

We received generous gifts from Wragge & Co, CMS Cameron Mckenna, Linklaters, PwC, Towry, Hogan Lovells International, Deloitte LLP, Berwin Leighton Paisner, CIMA, KPMG LLP, IoD and ICAEW.

### 3 TOTAL RESOURCES EXPENDED

	Staff costs	Office costs	Other costs	Gifts in kind	Total 2013	Restated total 2012
	£	£	£	£	£	£
Membership and fundraising	206,335	45,843	(794)	0	251,384	269,561
Research and programmes	346,990	64,466	71,342	0	482,798	454,555
Advisory	24,386	4,297	(74)	0	28,609	26,473
Advocacy, events and speaking	101,311	15,758	21,738	33,000	171,807	169,690
Publications and website	39,876	7,165	(123)	0	46,918	34,825
Governance	84,425	5,730	8,540	2,000	100,695	61,090
Total resources expended	803,323	143,259	100,629	35,000	1,082,211	1,016,194

#### Analysis of staff costs

	Total 2013	Total 2012
	£	£
Wages and salaries	639,321	543,117
Social security costs	72,777	63,407
Pension costs	20,025	25,410
Temporary and other staff costs	71,200	78,045
	803,323	709,979

Analysis of office costs	Member-ship and fundraising	Research and programme	Advisory	Advocacy, events and speaking	Publications and Website	Governance	Total 2013	Total 2012
	£	£	£	£	£	£	£	£
Premises and storage	27,937	39,285	2,618	9,602	4,366	3,491	87,299	86,118
Tel, copier and postage	7,789	10,954	730	2,678	1,218	974	24,343	20,262
IT-support/computer lease	4,068	5,719	381	1,398	636	509	12,711	18,356
Stationery, subst. and sundry	3,210	4,515	301	1,104	501	401	10,032	7,816
Depreciation	2,839	3,933	267	976	444	355	8,874	6,699
Total of office costs	45,843	64,466	4,297	15,758	7,165	5,730	143,259	139,251

Analysis of other costs	Member-ship and fundraising	Research and programme	Advisory	Advocacy, events and speaking	Publications and Website	Governance	Total 2013	Total 2012
	£	£	£	£	£	£	£	£
Professional support	511	718	48	171	80	8,702	10,230	17,768
Research projects	0	72,459	0	22,015	0	0	94,474	59,380
Communications and website	1,974	2,776	185	679	309	248	6,171	30,174
Financial costs	(3,279)	(4,611)	(307)	(1,127)	(512)	(410)	(10,246)	3,235
Total of other costs	(794)	71,342	(74)	21,738	(123)	8,540	100,629	110,557

#### Analysis of governance costs

	2013	2012
	£	£
Audit fees	6,941	8,900
Apportionment of staff, office and other costs	93,754	52,190
	100,695	61,090

**Overview of relevant expenses**

	<b>2013</b>	<b>2012</b>
	£	£
Amounts paid to auditors for other services	0	3,155
Operating leases - plant & machinery	3,696	3,356
Property Rental	70,799	70,799
Director's emoluments	70,400	84,800

The average number of full time equivalent employees during the year was 15 (2012 – 13). All members of staff were involved in both charitable activities & activities to generate funds.

**Employees with emoluments excluding pension contributions**

totalling £60,000 or more

	<b>2013</b>	<b>2012</b>
£60,001 - £70,000	2	1
£70,001 - £80,000	0	1
£110,001-£120,000	1	1

Mark Goyder, who is a Trustee and Founder Director, received remuneration (including £4,400 pension contributions) of £70,400 (2012 - £84,800) as allowed by the charitable company's articles of association, for his services as Founder Director. Expenses were reimbursed to the founder director for travel, subsistence and entertaining and amounted to £844 (2012 - £517).

The total pension contributions for the higher paid employees were £11,500 (2012 - £10,800).

**4 TANGIBLE FIXED ASSETS**

	<b>Website</b>	<b>Furniture, fixtures &amp; equipment</b>	<b>Computer equipment</b>	<b>Total</b>
	£	£	£	£
At 1st April 2012	0	21,579	15,278	36,857
Prior year adjustment	17,143	0	0	17,143
At 1st April 2012 restated	17,143	21,579	15,278	54,000
Additions	5,043	1,624	6,761	13,428
Cost at 31st March 2013	<u>22,186</u>	<u>23,203</u>	<u>22,039</u>	<u>67,428</u>
Depreciation				
At 1st April 2012	0	11,360	10,042	21,402
Charge for year	1,818	3,500	3,555	8,873
At 31st March 2013	<u>1,818</u>	<u>14,860</u>	<u>13,597</u>	<u>30,275</u>
Net Book Value				
At 31st March 2013	20,368	8,343	8,442	37,153
At 31 March 2012	0	10,219	5,236	15,455
At 31 March 2012 restated	<u>17,143</u>	<u>10,219</u>	<u>5,236</u>	<u>32,598</u>

## 5 INVESTMENT IN SUBSIDIARY

	2013	2012
	£	£
Charitable company		
Shares in Group undertaking:		
Cost as at 1 April 2012 and 31 March 2013	2	2

At 31 March 2013 the charitable company owned 100% of the ordinary shares in a subsidiary, Tomorrow's Company (Enterprises) Limited ('TCEL'), which has in the past earned revenue for the Centre for Tomorrow's Company through the provision of workshops, seminars, and facilitation and measurement activities, all designed to enable companies to take a more inclusive approach. TCEL has remained dormant since April 2002.

## 6 DEBTORS

Due within one year	2013	2012
	£	£
Accounts receivable	134,795	185,908
Prepayments & accrued income	40,248	11,138
	<u>175,043</u>	<u>197,046</u>

## 7 CREDITORS

Due within one year	2013	2012
	£	£
Accounts payable	64,685	22,381
Taxes and social security	56,693	59,216
Accruals & other creditors	3,318	24,913
Loans repayable	9,000	9,000
	<u>133,696</u>	<u>115,510</u>

The loan from The Robin Goyder Trust (of which Mark Goyder, our Founder Director, is a trustee) is interest free and the trustees have agreed not to impose any specific terms for its repayment.

## 8 DEFERRED INCOME

	2013	2012
	£	£
Donations, fees & subscriptions received in advance	0	2,600
	<u>0</u>	<u>2,600</u>

## 9 COMMITMENTS

	<u>2013</u>	<u>2012</u>
	£	£
The charitable company had the following annual commitments in respect of operating leases		
for equipment		
Expiring between two and five years	3,696	3,356
for land and buildings		
Expiring between one and two years	70,023	70,799

## 10 TAXATION

Tomorrow's Company is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## 11 RELATED PARTY TRANSACTIONS

A loan of £9,000 (2012 - £9,000) is outstanding from the Robin Goyder Trust of which trustee and founder director Mark Goyder is a trustee (see note 7).