

Company registration number: 3164984  
Charity registration number: 1055908

# The Centre for Tomorrow's Company

(A company limited by guarantee)

Report and Financial Statements

31 March 2015

**The Centre for Tomorrow's Company  
Report and financial statements  
Contents**

	<b>Page</b>
Reference and administrative information	1
Trustees' annual report	2
Statement of directors' responsibilities	20
Independent auditors' report	21
Statement of financial activities	22
Balance sheet	23
Notes to the accounts	24

**The Centre for Tomorrow's Company**  
**Reference and administrative information**

<b>Charity name</b>	The Centre for Tomorrow's Company
<b>Charity registration number</b>	1055908
<b>Company registration number</b>	3164984
<b>Registered office</b>	Samuel House 6 St Alban's Street London SW1Y 4SQ
<b>Trustees</b>	Barrie Collins - Chairman Lysanne Currie (appointed 7 July 2015) Jean Gomm (resigned 23 September 2014) Mark Goyder Paul Howard (resigned 23 September 2014) Maria Johannessen (resigned 23 September 2014) Ian Saville (appointed 30 April 2015; resigned 8 December 2015) Christopher Sawyer (appointed 19 November 2014) Andrew Wood (appointed 19 November 2014)
<b>Secretary</b>	Julian Baddeley
<b>Senior Management Team</b>	Mark Goyder - Founder Director Timothy Morris - Director of Finance Pat Cleverly - Director of Research, Strategy and Policy
<b>Bankers</b>	The Co-operative Bank plc 80 Cornhill London EC3V 3NJ  Handelsbanken 5th Floor, 13 Charles II Street London SW1Y 4QU
<b>Auditors</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL

## **The Centre for Tomorrow's Company Trustees' Annual Report for the year ended 31 March 2015**

The trustees are pleased to present their report together with the financial statements of Tomorrow's Company for the year ended 31 March 2015.

The reference and administrative information set out on page 1 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.

## **Our Year in Summary**

### **Challenging times and an exciting future**

Tomorrow's Company ("We") had a challenging year. Our ambition somewhat outstripped our means and in September 2014 things came to a head with a significant loss of income. Our revenue dipped markedly, by 12%. Our commitments to deliver work promised to donors, sponsors and clients did not reduce accordingly. By mid-year we were in a perilous position.

A number of immediate measures were taken, including:

1. An emergency appeal, which raised over £140,000 to stabilise the situation.
2. Board capacity was rebuilt.
3. A cost reduction programme was instigated. Cost reductions on a year-on-year basis of 30% have been achieved. In addition to 2 fte positions, we have sub-let half the office and squeezed material reductions in non-labour costs.
4. A plan to honour and deliver all our commitments was agreed with the relevant project supporters, and completed by the summer of 2015.

We are still operating on around one month's reserves and with minimal bank balances, which is unsatisfactory.

Through what was a taxing process, lessons have been learned for the future about the manner in which commitments are made and projects costed. It is in the nature of our work that we facilitate collaboration between many different partners with divergent views and this can make it difficult to assess the true cost of that work.

## **The Centre for Tomorrow's Company Trustees' Annual Report for the year ended 31 March 2015**

Tomorrow's Company is now engaged in a process of renewal. We have clarified both our vision and purpose (see below) and our method of working. Over time we want to operate clearly under three main headings:

1. Our charitably funded research is designed to consider long term challenges both to business, investment, and society about the role of business in a changing world. Hence the Futures Project on which we have embarked;
2. Our activities for and with our membership are designed to enable participants to learn from each other and develop practical ideas and agendas:
  - for improving the quality of leadership and the deployment of talent
  - promoting excellence in governance and
  - defining and spreading good practice in investor stewardship
3. We draw on twenty years of experience to provide advisory support to organisations and to earn income which can be ploughed back into building our future capacity.

In support of this we have started to shift the balance of organisational effort towards distinctive roles in Account Management, Content and Project Delivery. We will sharply focus on our core strengths around Governance, Leadership and Stewardship. When funds allow, we would like to do more advocacy.

This sharper delineation is designed to help us to inspire and enable our members, partners and clients.

## **About Tomorrow's Company**

### **Our purpose**

Tomorrow's Company exists to inspire and enable companies to be a force for good. We are a London-based global think tank delivering value for business leaders, owners and the wider community by addressing the systemic and behavioural questions of the business world.

Our goals are to:

- help companies adopt an inclusive approach to value creation, which puts people and relationships at the heart of sustainable business success
- engage and challenge policymakers, regulators and the financial community to reinforce this approach in the interests of citizens and savers.
- strengthen public understanding of the role business plays in changing the world.

### **How we work**

We provide charitably-funded (i.e. independent) long-range applied research and strategic thinking which contributes to public understanding of the role of business and promotes business responsiveness to the needs of society.

## **The Centre for Tomorrow's Company Trustees' Annual Report for the year ended 31 March 2015**

Through dialogue at membership and sponsorship funded forums and events, and client-funded advisory work, we co-create value, whereby we:

- challenge and help companies to enhance their success through adopting a more inclusive approach to their leadership, their governance and their relationships;
- challenge and help individuals to be more effective leaders and board members;
- challenge and help institutional investors to be more effective stewards to the benefit of their clients;
- engage with government, regulators, policymakers and trade bodies to promote a business environment which encourages companies to be a force for good; and
- involve all of the above in developing practical recommendations and solutions

The charitable future-focused work and the commercially focused, practical work enrich each other.

### **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.

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. 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 impact**

We recognise that much of what we do is difficult to measure and to attribute. We would not want to be defined by our impact in legislation, though we have helped form significant elements of it. For example, we shaped 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; and the Financial Reporting Council – the UK regulator of corporate governance – has initiated a major programme which builds on our work on governance values.

We will continue to focus on three overlapping workstreams around Culture and Leadership, Governance and Stewardship, while striving to bring these together in a compelling vision of the agenda for business in a changing world. Where appropriate we will strengthen our ability to do so through partnership with like-minded organisations.

Working with a growing, involved and more influential community we will build on:

- the 2015 Futures Project and its 2016 offspring
- the growth and authority of our forums on leadership and governance

## **The Centre for Tomorrow's Company Trustees' Annual Report for the year ended 31 March 2015**

- the additional creation of an authoritative hub of work around investor stewardship

We will establish Tomorrow's Company (and, where appropriate, with partners) as the go-to place for great ideas and challenging and constructive dialogue, leading to the development of agendas and practical solutions which will then be influential on and applied by leaders in companies, investment and government and regulation.

Through partnerships this will increasingly be international recognition.

To achieve this in the year ahead we plan to develop the organisation in key areas:

- Strengthening business experience and credibility of the senior team, with succession in mind
- Sales and Marketing
- Communications and advocacy
- Our dialogue-based thought leadership and action research through our forums
- Project management and delivery
- Ability to engage and draw value from our forums and wider community,
- Building partnerships and collaborations
- Building the Tomorrow's Company brand
- Succeeding through the quality of our relationships

We always seek to be challenging. We combine the visionary with the practical.

We will influence the way that people think about companies and the role of business - and wider society. Our work has the potential to help to rebuild public trust in business and encourage a better reciprocal dialogue between companies and the stakeholders around them. We are also well placed to facilitate a better dialogue between companies and their institutional investors.

## **Structure, Governance and Management**

### **Induction and Recruitment of Trustees**

When a place on the board of trustees becomes vacant Tomorrow's Company usually advertises the vacancy to its network and through its channel of relationships and connections. Of necessity in 2014-15 we rebuilt the board drawing on those people who had shown exceptional commitment in securing our survival.

The induction for each new 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 generally meet five times per year plus a strategy awayday. In the year to 31 March 2015, there were a significant number of additional board meetings as Trustees dealt with the financial

## **The Centre for Tomorrow's Company Trustees' Annual Report for the year ended 31 March 2015**

situation.

- In our experience, effective governance depends on a continual dialogue between the management and the trustees. The formal meetings described here are one kind of many different dialogues that take place between executives and non-executives.
- Our long term success depends on the creation of value for our members and partners, and through this process a strengthening of the wider impact which Tomorrow's Company has in line with our charitable objectives. This has then led us to develop our internal organisation first around the creation of thought leadership content, around its impact and positioning, and around its follow-through by means of advice and support.
- Board focus is on the following areas:
  - External impacts
  - Resources, organisation and financial performance
  - Risk

Updates, including the financial status, with a particular focus on cash flow and the funding pipeline, are sent to trustees regularly via email.

### **Statement of Appreciation**

We would like to take this opportunity to express our deep gratitude to long-standing members, corporate and individual, alongside new members who have joined us in the last financial year.

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 over 20 years. We have managed to recruit, retain and mobilise members, partners and donors.

It would be indelicate to highlight only a minority of the many constructive partnerships, but by way of example, a number of collaborations have been genuinely accretive in the sense that the sum of the whole has been much more than the sum of the individual parts.

Our individual members, corporate members and project partners have all collaborated and co-created our programmes, projects, events and initiatives. For example, our partnership with CIMA over many years has given us the Tomorrow's Value Lecture Series. Our partnership with CIPD has continued through their involvement in the Tomorrow's Relationships project. Linklaters, KPMG and PWC have been strong supporters in a number of projects.

Tomorrow's Company is proud to train and develop volunteers as part of its programme of engagement with the wider public. These volunteers bring energy, insight, intelligence and intensity to the work of Tomorrow's Company, and two thirds of them go on to find full-time employment after volunteering with us. 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.

We thank all companies, individuals and organisations who have contributed to the work of Tomorrow's Company in the year. We appreciate the extensive efforts of our staff and recognise, with gratitude, the considerable support received from our team of researchers and volunteers.



**The Centre for Tomorrow's Company  
Trustees' Annual Report  
for the year ended 31 March 2015**

## **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, introduce 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 ('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.

### **Agenda Setting Research**

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

The table below covers some but not all our activities under the Governance and Stewardship theme.

**The Centre for Tomorrow's Company  
Trustees' Annual Report  
for the year ended 31 March 2015**

**Tomorrow's Company Timeline for impact on governance and stewardship**

		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
An inclusive approach to Governance	An inclusive approach and Directors Duties	1995 RSA Tomorrow's Company – role of business in a changing world argues for inclusive directors duties	Inclusive Directors Duties in Companies Act (Section 172)				Cadbury A test-bed for Stewardship				
An inclusive approach to Communication	An inclusive approach to annual reports	1998 Sooner Sharper Simpler blueprint for inclusive annual report	Government proposes inclusive narrative reporting					Tomorrow's Corporate Reporting	Government introduces 'Strategic report'	International Integrated Reporting Council formed	
Innovation in Governance						Tomorrow's Innovation, Risk & Governance	Good Governance Forum starts Board Mandate	Good Governance Forum Conference	Improving Quality of Boardroom Conversation	The Boardroom & Risk - 2 <sup>nd</sup> Good Governance Forum Conference	Tomorrow's Chairman (forthcoming)
Investment, Ownership and Stewardship		2004 Restoring Trust – financial services in C21 urges systemic approach to investment chain					The Lord Mayor's Initiative 'Restoring Trust in the City'	City Values Forum Formed		Tomorrow's Capital Markets Initial report	Tomorrow's Value Achieving Long Term Returns  Guide For Pension Trustees
Investment Ownership and Stewardship					Tomorrow's Owners Stewardship of tomorrow's company identifies Stewardship as neglected duty of investors	Walker Report proposes Stewardship Code for investors	TC Stewardship Principles published	Family Business Stewardship	2020 Stewardship proposes Stewardship Framework to help pension funds assess fund managers	ICSA & 2020 WP publish Enhancing Stewardship Dialogue	NAPF adopts Stewardship Framework  Promoting to Pension Trustees  Building Momentum For Investor Stewardship With Standard Life Investments
Investment, ownership and stewardship										Tomorrow's Business Forms - Ownership, Structure & Governance to deliver success for business and society.	

## **The Centre for Tomorrow's Company Trustees' Annual Report for the year ended 31 March 2015**

### **Governance**

**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.

The Good Governance Forum is a continuing collaborative undertaking involving a wide range of different partners.

This year saw the release of Tomorrow's Chairman. Tomorrow's Chairman celebrates and explores what makes for great chairmen, now and in the future. It has been developed by the Good Governance Forum in partnership with the Chairmen's Forum through the generous support of many. The letters format provides a simple device which captures how someone with many years' experience might hand over to a less experienced successor. He or she invites experienced board participants to identify issues about their own relationship with the chairman. In total the letters form a rounded view of the combined leadership of the board, and suggest some of the different perspectives that should be round the boardroom table.

The letters were serialised in partnership with the Financial Times NED Club. The first letter is from an experienced chairman to a new chairman, with the experienced chairman referring to the advice he received as he himself took on his first chairmanship. The letter builds on several key themes, among them:

- every chairmanship is unique – there is no one size fits all approach
- the chairman is the champion of the role of the board
- the board is responsible for setting long-term purpose and character
- the chairman sets the tempo and the mood for the board
- the relationship with the CEO is critical

In the course of the year tomorrow s Company held a series of dialogues kindly chaired by leading FTSE 100 chairs.

### **Stewardship**

**Stewardship** by boards and investors 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."*

## **The Centre for Tomorrow's Company Trustees' Annual Report for the year ended 31 March 2015**

We have stimulated a widespread interest in governance and stewardship. We:

- developed the incentives and frameworks needed for Tomorrow's Capital Markets (TCM);
- produced a series of outputs and practical tool kits from our Good Governance Forum, and published widely;
- continued our work on the promotion of stewardship and the Tomorrow's Company Stewardship Principles;
- Collaborated with institutional investors to develop the four recommendations of the 2020 Stewardship Report, two of which have been implemented in partnership with the Institute of Chartered Secretaries and Administrators (ICSA) and the National Association of Pension Funds (NAPF) respectively;
- investigated Tomorrow's Value: Achieving sustainable financial returns in the form of a guide and tool-kit for Pension Fund Trustees which was published in April 2014.

**Tomorrow's Capital Markets** focuses 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 currently structured, 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, 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. 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**

Tomorrow's Company first made the case for strong investor stewardship in the aftermath of the 2008 banking crisis. This was supported by Sir David Walker whose report in 2009 led to the development of the UK Stewardship Code, the world's first code for investor stewardship. This project is the work of a group of five institutional investors working alongside and co-ordinated by Tomorrow's Company.

Our project **2020 Stewardship** is aimed at improving the quality of investor stewardship. 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.

In the original stewardship report there were four recommendations two of which have now been acted on. Firstly, in 2013 after a year's work the Institute of Chartered Secretaries and Administrators published 'Enhancing Stewardship Dialogue' its guide that was commissioned with the 2020 Stewardship Working Party. Secondly in 2014, the National Association of Pension Funds adopted the Stewardship Framework first developed by the 2020 Stewardship Working Party. This is an important breakthrough. It means that pension trustees will now have a template that makes it easier for them to use stewardship criteria in

## **The Centre for Tomorrow's Company Trustees' Annual Report for the year ended 31 March 2015**

deciding which asset managers to appoint.

The Working Party is continuing to work closely with institutional investors, business leaders, regulators, industry associations, and others in order to champion investor stewardship. During the year it has extended its collaboration to embrace the work of industry and professional associations including the ICSA, the Investor Relations Society, the Investment Association and the NAPF.

### **Building Momentum for Effective Investor Stewardship**

In partnership with Standard Life Investments, this report contains recommendations for the regulator (Financial Reporting Council), the investment consulting industry, and for institutional investors and the investment management industry. The report concludes that without a greater demand from the future generation of retail investors (outside the protection of the old defined benefit scheme) there will not be sufficient demand for stewardship to drive change in the behaviour of asset managers.

We are continuing to take these recommendations forward. Both the Tomorrow's Capital Markets project and our partnership on Integrated Reporting continue to represent a major reinforcement of these themes.

### **Tomorrow's Business Success – using Integrated Reporting to help create value and effectively tell the whole story**

Business success has never been more important – 37 of the world's largest economies are corporations. The global market place is on the threshold of the next wave of technological innovation. Taking the best possible decisions in the face of increasing volatility, complexity, uncertainty and ambiguity, is tough but vital.

Global companies must create value for the short, medium and long-term. But they are doing this in an environment where there is a general lack of trust in businesses; pressures favouring immediate rewards; and the need to integrate many different sources of value spanning borders, cultures and generations.

Being able to excel in telling your value creation story will therefore be an increasing source of competitive advantage – that's the main conclusion we have drawn from talking with senior business leaders across the world, supported by dialogues, research and other data. We are grateful to the many chairmen, CEOs, CFOs, investors and others who have contributed to this guide.

Tomorrow's Business Success - Using Integrated Reporting to help create value and effectively tell the full story – is written for chairmen CEOs, CFOs and other members of boards and executive committees to support business leaders in achieving business success.

It was commissioned to understand how Integrated Reporting can be of greatest value for business leaders – and how best to state the case for putting the needs of those leaders first.

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

Choice of an appropriate business form can enhance business success, and may well help a business achieve more trust. Yet this combination of legal status, ownership, governance and accountability rarely receives the attention it deserves from boards or owners of companies.

The report 'Tomorrow's Business Forms – making the right choices of ownership, structure and governance to deliver success for business and society', prepared in 2013-14, showed how some listed and private companies have changed business form, and describes a growing array of choice of business forms. This presents an opportunity for the owners and boards of businesses. Examples of this welcome growth in diversity of business form include social enterprise, employee ownership, public sector mutuals, LLPs, listed

## **The Centre for Tomorrow's Company Trustees' Annual Report for the year ended 31 March 2015**

company hybrids, innovation in private equity and Community Interest Companies.

In its agenda for change the report challenges business owners and boards to ask:

- Does our current business form enable or constrain the purpose and values of our business?
- Does it inspire the workforce to achieve business purpose?
- Does it connect the business to its wider stakeholders?
- Does it incentivise longer-term behaviour?

The report signed by a group of influential business leaders representing a wide cross-section of business forms said:

*"We challenge owners and board members to reconsider the use that they are making not only of their legal status but of all the options within it".*

The report will continue to inform debate on the wide range of business forms now available; encourage owners and boards to review whether their business form is giving the business an edge in achieving their purpose; and provoke a debate about how government and the public sector can better harness the efficiency and innovation of the private sector.

This year Tomorrow's Company has followed up the report by developing the idea of the Trust Test.

There is widespread public concern about the extent to which public sector activities are being privatised or outsourced to the private sector. Yet, with public expenditure under continued pressure, government needs to be able to take advantage of what the private sector and the 'third sector' has to offer in terms of innovation, diversity of provision, cost reduction, and spreading of risk. It would be very helpful if those carrying out procurement on behalf of the public sector were able to make a wider assessment of the character and reliability of the companies bidding for work, alongside the important but narrower specifying of financial and operational objectives.

Hence the idea of a Trust Test. The ultimate aim of such a test could be to help achieve a better outcome which reconciles the interests of shareholders, employees, service users and taxpayers. A first draft of such a test has now been developed and the aim is to discuss its application to the work of procurement and commissioning in particular departments of government. Tomorrow's Company has been invited to present the findings to the boards of one major government agency.

### **Talent and Leadership - Tomorrow's Global Leaders (TGL)**

**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 and the perception of leadership as service.

**Talent:** We would like to see a new view of talent, a view that talent 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.

Businesses need to harness the talent of all to succeed. How do we address the leaky pipeline of talented women leaving organisations before they can reach the top? How do we build a culture that ensures women

## **The Centre for Tomorrow's Company Trustees' Annual Report for the year ended 31 March 2015**

reach the top? And more broadly, how do we change the governance and leadership of business so as to unleash the power of diversity?

We have considered how behaviour is shaped and what changes are needed to ensure that companies benefit from women, together with men, in achieving their full potential. In 2014 we established a forum to take forward the finding and insights of the initial report, to develop practice, drive the agenda, and contribute to the development of business tools.

The culture of organisations can only, ultimately, be changed by men and women working together over years and across generations. Our vision is of an inclusive culture that develops and harnesses the talent of all, as laid out in the report.

Coordinated by Tomorrow's Company our TGL Forum continues to work with a wide range of leading companies and networks. The purpose of the forum is to learn from and promote good practice, develop tool-kits to support implementation, and create a leadership community and learning zone which consolidates our efforts, builds momentum and reinforces other related initiatives and networks.

The Forum continues to grow the existing collaboration and to make it more effective by creating new links, partnerships and shared understanding to inform, shape and drive individual and corporate decision making and behaviour, and also government policy.

### **Tomorrow's City**

The City of London has two great resources in abundance - people and capital. Over generations, it has brought together the international talent and resources needed to create the financial services that will facilitate investment and diversity and consequently fuel growth and prosperity, not only in the UK but also globally. The world is an economy of cities and London is, and must continue to be, a City of cities. London faces new challenges but also huge opportunities as we enter a new era that is much more focused on optimising the purpose of business – people, planet, and profit.

The City is the venue of choice for savings and investment, trading, managing business risks, structuring and closing deals. London is in a uniquely advantaged position during this period of uncertainty and change.

Our over-arching theme is long-term value creation, building on the excellent initiatives already happening in the City.

Through a series of events through 2014 the Tomorrow's City programme examined key topics that will shape the City's success and will be front of mind for decision-makers in the coming years.

- **Widening the talent pool** - How can we be more inclusive in the drive for innovation, growth, and the development of skills?
- **Regulation** - Is it fit for purpose for long-term and sustainable growth?
- **Infrastructure & Energy** - Are cities equipped to take the lead in sustainable urban development? Are there new models for large scale and long-term funding?
- **What is the attraction of investing in the UK?** - Can we or should we do more to attract overseas investment?

**Volatility, Uncertainty, Complexity, and Ambiguity (VUCA)** - How do leading institutions in the City best prepare themselves for a VUCA world? What is the role of government and regulators?

**The Centre for Tomorrow's Company  
Trustees' Annual Report  
for the year ended 31 March 2015**

- 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.

**Tomorrow's Value**

At the heart of our work resides the topic of Tomorrow's Value. In partnership with CIMA, CIPD and KPMG, the **Tomorrow's Relationships** project concerned itself 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 produced 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.

In the **Tomorrow's Value** lecture series, in partnership with the Chartered Institute of Management Accountants (CIMA), speakers addressed questions 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 **Tomorrow's Value** publication is a useful tool for key actors in the financial system, with a particular focus on pension fund trustees. It provides the argument and gives the confidence for the role trustees can play in creating value that best generates long-term value for beneficiaries.

**Recognition of Impact – Tomorrows Company in the news**

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

**Events**

2014-15 saw another year of high profile events (10), with impactful speakers and critical debate of a high standard. The programme delivered was as follows:

Lecture Title	Speakers
Tomorrow's Finance: 'Comply or explain' can it survive in a global marketplace?	<ul style="list-style-type: none"> <li>• Guy Jubb, Head of Governance &amp; Stewardship, Standard Life Investments</li> <li>• Gervais Williams, Managing Director, Miton Group plc &amp; author of 'Slow Finance'</li> </ul>



**The Centre for Tomorrow's Company  
Trustees' Annual Report  
for the year ended 31 March 2015**

Lecture Title	Speakers
Tomorrow's Value - Achieving long-term financial returns - a guide for pension fund trustees	<ul style="list-style-type: none"> <li>• Saker Nusseibeh, Chief Executive and Head of Investment, Hermes Fund Managers</li> <li>• Jon Williams, Partner, PwC</li> <li>• Will Pomroy, Policy Lead: Corporate Governance, NAPF</li> <li>• Nicolas Huber, Managing Director, ESG Head Office, Deutsche Asset and Wealth Management</li> <li>• Barry Parr, Co-Chair, AMNT</li> <li>• Duncan Brown, UK Head of Pensions Assurance, PwC</li> </ul>
Tomorrow's Leadership – Trusting Business	<ul style="list-style-type: none"> <li>• Andy Wood, Chief Executive, Adnams</li> <li>• Professor Veronica Hope Hailey, Dean, School of Management, University of Bath</li> <li>• Dr. Jean Rogers, CEO &amp; Founder, Sustainability Accounting Standards Board (SASB)</li> <li>• Peter Cheese, Chief Executive, CIPD</li> </ul>
Tomorrow's City - Finance: Finance as a Force for Good: securing long-term value creation to meet the needs of citizens and savers	<ul style="list-style-type: none"> <li>• Katherine Garrett-Cox, CEO, Alliance Trust</li> <li>• Gervais Williams, Managing Director Miton Group</li> <li>• Lady Rice CBE, Managing Director, Lloyds Banking Group Scotland</li> </ul>
Launching Tomorrow's Relationships	<ul style="list-style-type: none"> <li>• Sir Mark Moody-Stuart, Chairman, Hermes Equity Ownership Services</li> <li>• Charles Tilley, Chief Executive, CIMA</li> <li>• Susannah Clements, Deputy Chief Executive, CIPD</li> <li>• Vincent Neate, Head of Climate Change and Sustainability, KPMG</li> <li>• Matthew Bland, Corporate Partner, Linklaters</li> </ul>
Tomorrow's Leadership: Leading cultural change in financial services Practice and metrics	<ul style="list-style-type: none"> <li>• Alex Rickard, Head of Employee Proposition, Towry</li> <li>• Lynne Dalgarno, Director of Human Resources, Alliance Trust</li> <li>• Jane-Emma Peerless, Director of People, Caxton FX</li> <li>• Peter Cheese, Chief Executive, CIPD</li> <li>• Dominic Griffiths, Partner, Head of Banking &amp; Finance, Mayer Brown</li> </ul>
	<ul style="list-style-type: none"> <li>• Paula Nickolds, Buying and Brand Director, John Lewis Partnership</li> <li>• James Henry, Deputy Director of Information, Systems and Professionalism, Finance and Commercial Group, Department for Education</li> <li>• Guy Strafford, Chief Client Officer, Proxima</li> <li>• Simon Spinks, Managing Director, Harrison Spinks Limited</li> <li>• Charles Tilley, Chief Executive, CIMA</li> <li>• Paul Joukador, Partner, Hogan Lovells International LLP</li> </ul>
Tomorrow's City: Seizing the opportunities of the 'new normal'	<ul style="list-style-type: none"> <li>• The Rt. Hon the Lord Mayor of the City of London, Alderman Fiona Woolf CBE</li> <li>• Jeffery Barratt, Chair, Infrastructure and Energy Executive Board, TheCityUK</li> <li>• Prof. Peter Head CBE, Executive Chair, The Ecological Sequestration Trust</li> <li>• Sheikh Bilal Khan, Co-Chairman, Dome Advisory Limited</li> <li>• Andrew Miskin FCMA, CGMA, Vice President, CIMA</li> <li>• Charlotte Sweeney, Lead, Power of Diversity Programme for the Lord Mayor of the City of London</li> </ul>

**The Centre for Tomorrow's Company  
Trustees' Annual Report  
for the year ended 31 March 2015**

Lecture Title	Speakers
	<ul style="list-style-type: none"> <li>Penelope Warne, Senior Partner, CMS</li> </ul>
Tomorrow's Value: Public Value Principles into Practice	<ul style="list-style-type: none"> <li>Julian Kelly, Director General, Public Spending and Finance, HM Treasury</li> <li>Dr. Scott Steedman CBE, Director, Standards, British Standards Institution</li> <li>Keith Luck FCMA, CGMA, Finance &amp; Commercial Director, Strategic Partnerships, Serco plc and President, CIMA</li> </ul>
Annual Parliamentary Reception: Tomorrow's Business Success: Telling your value creation story	<ul style="list-style-type: none"> <li>Alison Nimmo CBE, Chief Executive, The Crown Estate</li> <li>Charles Tilley, Chief Executive, CIMA</li> <li>Lord Haskel, House of Lords</li> </ul>
A Tomorrow's Global Leaders Forum Event 'Inclusive leadership - awakening the feminine in women as well as men'	<ul style="list-style-type: none"> <li>Dr. Scilla Elworthy, Founder, Peace Direct</li> <li>Daniel Danso, Diversity Manager, Linklaters</li> <li>Simon Langley, Lead Manager Inclusion and Diversity, National Grid</li> </ul>

### Reports & Publications

In the last 20 years, 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. There were 6 major publications in the year:

1. Tomorrow's Finance: 'Comply or explain' can it survive in a global marketplace?
2. Tomorrow's Finance: Finance as a Force for Good
3. Tomorrow's City Brochure
4. Tomorrow's Relationships – Unlocking Value
5. Tomorrow's Business Success – Using Integrated Reporting to help create value and effectively tell the full story
6. Tomorrow's Chairman (pdf only)

### International Impact

Tomorrow's Company will continue to think globally and explore the macro issues. We maintain strong links in India, Singapore and the USA in particular.

### Looking ahead

The governance and stewardship timeline above illustrates the compound impact over the years of the work of Tomorrow's Company. Starting with a timely question and through dialogue we develop a practical agenda for change, which we steadily disseminate and encourage others to take up. Over time, the language that was previously considered surprising or challenging - for example the term 'licence to operate' which we introduced into the general business debate in 1994 – becomes commonplace in everyday business.

*Sir Adrian Cadbury commented:*

*'The true measure of Tomorrow's Company's achievements has been that so many of those achievements are now taken for granted. There is general acceptance of the need to look at sustainability, medium to long-term results, the wider responsibilities of companies, building trust, and the duty of the institutions to engage with companies on behalf of those whose money they are investing.'*

## **The Centre for Tomorrow's Company Trustees' Annual Report for the year ended 31 March 2015**

Following the financial crisis in 2008 there has been a growing debate about the moral legitimacy of capitalism, especially around the growing gulf between some companies, especially in the financial sector, and ordinary citizens. We see this debate intensifying in the UK and beyond. Twenty years on from the publication of the original RA Inquiry - Tomorrow's Company this has led us to develop the Futures Project

### **Tomorrow's Company Futures Project**

The current debate on the role of business in society is stuck in the language of cynicism and blame, with falling trust between business, government and the public.

In the year ahead Tomorrow's Company will be bringing together leaders across business, government, and NGOs to develop a positive and practical vision for how companies can be a force for good in the future. We will be holding interviews, dialogues and events to identify and discuss future challenges. The results will culminate in a provocative report

Globally, our work continues to contribute fresh thinking about the role and purpose of business, and the part played by investors. Over the last 20 years, Tomorrow's Company has continued to provide a voice to the crucial questions that every successful and stable society must ask about the role of business and its relationship with the world around it.

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.

### **Financial review**

Financially, Tomorrow's Company endured a difficult year. In September 2014, we instigated an emergency funding drive to refinance the charity. We were extremely heartened by the response, both the reassurance that we do have something unique to offer, and that people were prepared to fund us accordingly (£140,000 was raised). As a result the charity enjoyed a new lease of life.

Overall, the charity incurred a deficit for the year of £73,000 (2013-14: net income £6k). Total fund balances retained at the year-end were £169,000 (2014: £97,000) of which £56,000 (2014: £Nil) was held as restricted funds.

The charity's results for the financial year ended 31 March 2015 are set out in the attached financial statements and notes.

### **Review of income**

Income for the year to 31 March 2015 dipped markedly, from £1,038,000 in 2013-14 to £838,000 in 2014-15 for a number of reasons. Clearly the market in which we operate is competitive, and there's no reason why Tomorrow's Company should be immune from such market forces.

Some of the reduction in income was planned. Our contract to supply secretariat services to the Corporate Responsibility Group ended in June 2014. During our time supporting it we have helped it to establish its plans for the creation of the Institute for Corporate Responsibility and Sustainability, a new professional

## **The Centre for Tomorrow's Company Trustees' Annual Report for the year ended 31 March 2015**

body. The CRG is now entering a new and different phase of its existence. We look forward to further innovative cooperation with both CRG and ICRS in the future.

Securing income for new research has been particularly challenging over the past year. Income on research projects fell to £113,000 this year, down from £358,000 in 2013-14.

### **Gifts in kind**

During the year we have been fortunate to receive £43,000 (2013-14: £42,500) in gifts in kind. These gifts from corporate partners have helped to facilitate a wide range of activities including meetings and programme events. We are most grateful.

### **Review of expenditure**

Expenditure fell, from £1,031,000 to £911,000. We lost two full-time equivalent positions, reviewed our non-labour costs and managed to sub-let half the office space.

Total expenditure is further analysed in note 2 to the accounts. The monthly expenditure levels have declined steadily through the year, and we begin the next financial year at significantly reduced levels. Importantly, we have made significant cost savings, reducing our ongoing cost of operations by more than 30% on an annualised basis.

### **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
- quarterly trustee 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

**The Centre for Tomorrow's Company  
Trustees' Annual Report  
for the year ended 31 March 2015**

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. As a think-tank with a commitment to advocacy campaigning, the nature of our engagement and the public comments that are 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 £200,000.

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.

At 31 March 2015, reserves were £97,000 (2014: £169,000). The Trustees are acutely aware that this level of reserves is both insufficient and undesirable. Trustees will ensure the best endeavours of the entire organisation to rebuild reserves levels in accordance with the policy in the coming years.

**Small company provisions**

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

**Auditors**

The auditors, Buzzacott LLP, have indicated their willingness to accept re-appointment under Section 485 of the Companies Act 2006.

This report was approved and authorised for issue by the trustees on 9 December 2015 and signed on its behalf by:

Barrie Collins  
Chairman

## **The Centre for Tomorrow's Company 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 which 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 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 judgements 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 company 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.

### **Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

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

## **Independent auditors' report to the members of The Centre for Tomorrow's Company**

We have audited the accounts of for the year ended 31 March 2015 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 auditors' 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 auditors**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts**

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material inconsistencies we consider the implications for our report.

### **Opinion on the accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 March 2015 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Emphasis of matter - going concern**

The financial statements have been prepared on a going concern basis. In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the future viability of the charity. Details of the circumstances relating to the going concern position are described in note 1 to the financial statements and we consider that these disclosures need to be brought to the members' attention in view of their significance. Our opinion is not qualified in this respect.

*continued...*

**Independent auditors' report  
to the members of The Centre for Tomorrow's Company**

*... continued*

**Opinion on other matters prescribed by the Companies Act 2006**

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

**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 accounts 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; or
- the trustees were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Simon Goodridge  
(Senior Statutory Auditor)  
for and on behalf of  
Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date:



**The Centre for Tomorrow's Company**  
**Statement of financial activities**  
**(incorporating Income and Expenditure Account)**  
**for the year ended 31 March 2015**

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Note				
<b>Incoming resources</b>				
<i>Incoming resources from generated funds:</i>				
Voluntary income:				
Membership subscriptions	371,700	-	<b>371,700</b>	475,200
Gifts and donations	197,927	56,000	<b>253,927</b>	108,619
Donated services and facilities	43,000	-	<b>43,000</b>	42,500
	<u>612,627</u>	<u>56,000</u>	<u><b>668,627</b></u>	<u>626,319</u>
<i>Incoming resources from charitable activities:</i>				
Research and programmes	92,786	-	<b>92,786</b>	358,430
Advisory	51,506	-	<b>51,506</b>	39,817
Events and speaking engagements	15,065	-	<b>15,065</b>	12,830
Publications	4,602	-	<b>4,602</b>	244
	<u>163,959</u>	<u>-</u>	<u><b>163,959</b></u>	<u>411,321</u>
Other incoming resources	5,815	-	<b>5,815</b>	-
	<u>782,401</u>	<u>56,000</u>	<u><b>838,401</b></u>	<u>1,037,640</u>
<b>Total incoming resources</b>				
<b>Resources expended</b>				
<i>Costs of generating funds:</i>				
Costs of generating voluntary income	246,686	-	<b>246,686</b>	247,401
<i>Charitable activities:</i>				
Research and programmes	394,107	-	<b>394,107</b>	448,570
Advisory	24,204	-	<b>24,204</b>	27,610
Events and speaking engagements	157,752	-	<b>157,752</b>	163,317
Publications	47,255	-	<b>47,255</b>	47,537
	<u>623,318</u>	<u>-</u>	<u><b>623,318</b></u>	<u>687,034</u>
Governance costs	41,510	-	<b>41,510</b>	96,989
	<u>911,514</u>	<u>-</u>	<u><b>911,514</b></u>	<u>1,031,424</u>
<b>Total resources expended</b>	2 911,514	-	<b>911,514</b>	1,031,424
Net income/(expenditure)	(129,113)	56,000	<b>(73,113)</b>	6,216
Total funds brought forward	169,153	-	<b>169,153</b>	162,937
	<u>£ 40,040</u>	<u>£ 56,000</u>	<u>£ 96,040</u>	<u>£ 169,153</u>
<b>Total funds carried forward</b>	<u>£ 40,040</u>	<u>£ 56,000</u>	<u>£ 96,040</u>	<u>£ 169,153</u>

All income and expenditure arises from continuing activities. All recognised gains and losses are included in the Statement of Financial Activities.

The annexed notes form part of these financial statements

**The Centre for Tomorrow's Company**  
**Balance Sheet**  
**as at 31 March 2015**

	Notes	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	7		<b>22,558</b>		34,879
Investments	8		<u>1</u>		<u>1</u>
			<b>22,559</b>		<b>34,880</b>
<b>Current assets</b>					
Debtors	9	<b>171,189</b>		221,228	
Cash at bank and in hand		<b>13,057</b>		31,795	
		<u>184,246</u>		<u>253,023</u>	
<b>Creditors: amounts falling due within one year</b>	10	<b>(110,765)</b>		(118,750)	
<b>Net current assets</b>			<b>73,481</b>		<b>134,273</b>
<b>Net assets</b>			<u>£ 96,040</u>		<u>£ 169,153</u>
<b>Funds</b>					
Restricted funds	14		<b>56,000</b>		-
Unrestricted funds:					
Designated funds	14	<b>22,558</b>		34,879	
General fund	14	<u><b>17,482</b></u>		<u>134,274</u>	
			<b>40,040</b>		169,153
<b>Total charity funds</b>			<u>£ 96,040</u>		<u>£ 169,153</u>

The financial statements have been prepared in accordance with section 415A of the Companies Act 2006 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective January 2015). They were approved, and authorised for issue, by the trustees on 9 December 2015 and signed on their behalf by:-

\_\_\_\_\_  
BARRIE COLLINS, Chairman

\_\_\_\_\_  
ANDREW WOOD, Trustee

The annexed notes form part of these financial statements

**The Centre for Tomorrow's Company**  
**Notes to the financial statements**  
**for the year ended 31 March 2015**

**1. Accounting policies**

**(a) Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005, applicable accounting standards and the Financial Reporting Standard for Smaller Entities (effective January 2015).

The effects of events relating to the year ended 31 March 2015 which occurred before the date of approval of the financial statements by the trustees has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 March 2015 and the results for the year ended on that date.

The financial statements are drawn up on the going concern basis which assumes the charity will continue in operational existence for the foreseeable future. The trustees have given due consideration to the working capital and cash flow requirements of the charity. The trustees consider the charity's current and forecast cash resources to be sufficient to cover the working capital requirements of the charity for at least 12 months.

Consolidated accounts have not been prepared as the charity's subsidiary has remained dormant this year and is immaterial to the group activity.

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'.

**(b) Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Further details of each fund are disclosed in note 14.

**(c) Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donations and members' subscriptions are only included in the Statement of Financial Activities when the charity has unconditional entitlement to the resources. No amounts are included in the financial statements for services donated by volunteers.

Project income is credited to the Statement of Financial Activities when receivable and included within incoming resources from charitable activities.. Incoming resources are only deferred where there are time constraints imposed by the donor or if the funding is performance related.

Income received that has specific restrictions placed upon its use is credited to restricted income within the Statement of Financial Activities on a receivable basis. Unspent balances are carried forward within the relevant restricted fund.

**The Centre for Tomorrow's Company**  
**Notes to the financial statements**  
**for the year ended 31 March 2015**

**1. Accounting policies (continued)**

Donated services and facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Income tax recoverable in relation to investment income or Gift Aid donations is recognised at the time the relevant income is receivable.

**(d) Resources expended**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Irrecoverable VAT is included within support costs.

Membership and fundraising costs are those incurred in seeking voluntary contributions and include the costs of disseminating information in support of the charitable activities.

Costs of charitable activities includes direct expenditure incurred together with associated support costs. Research, advisory, events and speaking engagements, and publications are categories with costs directly and indirectly related to those activities.

Governance costs are those associated with the governance arrangements relating to the strategic operations of the charity as opposed to those costs associated with general running of the charity, fundraising or charitable activity. These governance costs include external audit costs, trustee costs and staff time in governance of the charity.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support costs which cannot be directly attributed to particular activities, have been apportioned proportionately to the direct staff costs allocated to the activities.

**(e) Tangible fixed assets and depreciation**

Tangible and intangible fixed assets are stated at historic cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	-	4 years
Furniture/fittings and equipment	-	5 years
Website	-	5 years

All assets costing more than £500 are capitalised.

**(f) Pensions**

The company operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

**(g) Operating leases**

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred. Lease incentives, such as rent-free periods, are allocated over the term of the lease on a straight line basis.

**(h) Comparative figures**

The analysis and presentation of incoming resources and resources expended across different Statement of Financial Activities categories, and the allocation of support costs to activity categories within the Statement of Financial Activities have been restated for the preceding period to ensure consistent presentation and comparability.

**The Centre for Tomorrow's Company**  
**Notes to the financial statements**  
**for the year ended 31 March 2015**

**2. RESOURCES EXPENDED**

	Staff costs £	Direct costs £	Support costs £	Total 2015 £	Total 2014 £
Research and programmes	277,126	38,531	78,450	394,107	459,891
Advisory	18,866	-	5,338	24,204	27,754
Events and speaking engagements	89,437	43,000	25,315	157,752	152,930
Publications	36,831	-	10,424	47,255	45,930
	<u>422,260</u>	<u>81,531</u>	<u>119,527</u>	<u>623,318</u>	<u>686,505</u>
Total charitable expenditure	422,260	81,531	119,527	623,318	686,505
Membership and fundraising	192,263	-	54,423	246,686	246,909
Governance costs	29,361	3,835	8,314	41,510	98,010
Support costs	-	182,264	(182,264)	-	-
	<u>£ 643,884</u>	<u>£ 267,630</u>	<u>£ Nil</u>	<u>£ 911,514</u>	<u>£ 1,031,424</u>

Resources expended include:

	2015	2014
Auditors' remuneration:		
Audit fee	7,400	6,989
Audit fee - prior period over-accrual	(3,565)	-
Operating lease rentals - land and buildings	45,750	45,750
Depreciation - on owned assets	12,321	15,980
	<u>£ 61,906</u>	<u>£ 68,719</u>

Details of support costs and staff costs are given respectively in notes 3 and 5.

**3. SUPPORT COSTS**

	Total 2015 £	Total 2014 £
Premises costs	64,810	94,053
Office costs	58,662	60,606
Legal and professional costs	35,542	8,958
Depreciation	12,319	15,980
Irrecoverable VAT	10,931	2,112
	<u>£ 182,264</u>	<u>£ 181,709</u>

Support costs that cannot be directly attributed to particular activities have been apportioned proportionately to the direct staff costs allocated to the activities.

**The Centre for Tomorrow's Company**  
**Notes to the financial statements**  
**for the year ended 31 March 2015**

**4. TRUSTEES' REMUNERATION AND EXPENSES**

Mark Goyder, who is a trustee, Founder Director and, since January 2015, CEO of Tomorrow's Company, received remuneration (including £3,936 pension contributions) of £69,536 (2014 - £68,800) as allowed by the charitable company's articles of association, for his services as Founder Director and CEO. No expenses were reimbursed to the Founder Director during the year (2014 - £413).

No other trustees received any remuneration (2014 - £Nil) or reimbursement of expenses (2014 - £Nil).

**5. STAFF NUMBERS AND COSTS**

	<b>2015</b>	<i>2014</i>
	<b>£</b>	<i>£</i>
Wages and salaries	<b>507,371</b>	<i>586,586</i>
Social security costs	<b>56,829</b>	<i>64,698</i>
Pension costs	<b>17,160</b>	<i>16,200</i>
Other staff costs	<b>62,524</b>	<i>75,375</i>
	<b><u>£ 643,884</u></b>	<i><u>£ 742,859</u></i>

The average number of employees, calculated as full time equivalents and analysed on a functional basis, during the period was:

	<b>2015</b>	<i>2014</i>
	<b>Number</b>	<i>Number</i>
Membership and fundraising	<b>3.2</b>	<i>4.3</i>
Research and programmes	<b>4.6</b>	<i>6.0</i>
Advisory	<b>0.3</b>	<i>0.4</i>
Events and speaking engagements	<b>1.5</b>	<i>1.5</i>
Publications	<b>0.6</b>	<i>0.7</i>
Governance costs	<b>0.5</b>	<i>0.5</i>
	<b><u>10.7</u></b>	<i><u>13.4</u></i>

The number of employees whose emoluments (including taxable benefits in kind but not employer pension costs) amounted to over £60,000 in the year was as follows:

	<b>2015</b>	<i>2014</i>
	<b>Number</b>	<i>Number</i>
£60,000 - £69,999	<b>2.0</b>	<i>2.0</i>
£70,000 - £79,999	<b>1.0</b>	<i>-</i>
£100,000 - £109,999	<b>1.0</b>	<i>-</i>
£110,000 - £119,999	<b>-</b>	<i>1.0</i>

Contributions of £17,160 (2014 - £12,450) have been paid into pension schemes on behalf of the above employees.

**6. TAXATION**

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

**The Centre for Tomorrow's Company**  
**Notes to the financial statements**  
**for the year ended 31 March 2015**

**7. TANGIBLE FIXED ASSETS**

	Website £	Furniture and office equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2014 and 31 March 2015	<u>28,756</u>	<u>24,177</u>	<u>28,201</u>	<u>81,134</u>
<b>Depreciation</b>				
At 1 April 2014	10,692	17,281	18,282	46,255
Charge for the year	<u>5,752</u>	<u>2,325</u>	<u>4,244</u>	<u>12,321</u>
At 31 March 2015	<u>16,444</u>	<u>19,606</u>	<u>22,526</u>	<u>58,576</u>
<b>Net book value</b>				
At 31 March 2014	£ 18,064	£ 6,896	£ 9,919	£ 34,879
At 31 March 2015	<u>£ 12,312</u>	<u>£ 4,571</u>	<u>£ 5,675</u>	<u>£ 22,558</u>

**8. INVESTMENT IN SUBSIDIARY UNDERTAKING**

The charitable company owns 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.

**9. DEBTORS**

	2015 £	2014 £
<b>Due within one year</b>		
Trade debtors	148,447	187,697
Prepayments	18,041	26,330
Other debtors	4,701	7,201
	<u>£ 171,189</u>	<u>£ 221,228</u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £	2014 £
Trade creditors	42,394	60,624
Social security and other taxes	9,765	13,914
Other creditors	10,266	25,631
VAT creditor	39,485	5,999
Accruals	8,855	12,582
	<u>£ 110,765</u>	<u>£ 118,750</u>

**The Centre for Tomorrow's Company**  
**Notes to the financial statements**  
**for the year ended 31 March 2015**

**11. MEMBERS' LIABILITY**

The charity is a private company limited by guarantee and consequent does not have share capital. Each of the members is liable to contribute £10 towards the assets of the charity in the event of liquidation.

**12. OTHER FINANCIAL COMMITMENTS**

At 31 March 2015 the charity had annual commitments under non-cancellable operating leases as set out below:

	<b>Land &amp; Buildings</b>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
within two to five years	<b>45,750</b>	-
in over five years	-	<b>45,750</b>
	<b>£ 45,750</b>	<b>£ 45,750</b>
	<b>Office Equipment</b>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
within one year	-	<b>1,184</b>
within two to five years	<b>3,991</b>	<b>3,991</b>
	<b>£ 3,991</b>	<b>£ 5,175</b>

**13. RELATED PARTIES**

During the year, the charity had a loan of £9,000 from the Robin Goyder Trust of which Mark Goyder (trustee and Founder Director) is a trustee. This money was kindly granted to the charity in the course of the financial year, and the loan was written off. The loan was interest free.

In the course of the year, our Chairman of the Trustees, Mr Barrie Collins, provided an interest free loan to the charitable company of £20,000. This was repaid before 31 March 2015.

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted Funds</b>		<b>Restricted Funds</b>	<b>Total Funds</b>
	<b>Designated Funds</b>	<b>General Funds</b>	<b>Funds</b>	<b>Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	<b>22,558</b>	-	-	<b>22,558</b>
Investment in subsidiary	-	<b>1</b>	-	<b>1</b>
Net current assets	-	<b>17,481</b>	<b>56,000</b>	<b>73,481</b>
	<b>£ 22,558</b>	<b>£ 17,482</b>	<b>£ 56,000</b>	<b>£ 96,040</b>



**The Centre for Tomorrow's Company**  
**Notes to the financial statements**  
**for the year ended 31 March 2015**

**15. STATEMENT OF FUNDS**

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers £	Carried Forward £
<b>DESIGNATED FUNDS</b>					
Fixed assets fund	34,879	-	-	(12,321)	22,558
	<u>£ 34,879</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ (12,321)</u>	<u>£ 22,558</u>
<b>RESTRICTED FUNDS</b>					
Futures Project Fund	-	56,000	-	-	56,000
	<u>£ Nil</u>	<u>£ 56,000</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ 56,000</u>
<b>SUMMARY OF FUNDS</b>					
Designated Funds	34,879	-	-	(12,321)	22,558
General Funds	134,274	782,401	(911,514)	12,321	17,482
	<u>169,153</u>	<u>782,401</u>	<u>(911,514)</u>	<u>-</u>	<u>40,040</u>
Restricted Funds	-	56,000	-	-	56,000
	<u>£ 169,153</u>	<u>£ 838,401</u>	<u>£ (911,514)</u>	<u>£ Nil</u>	<u>£ 96,040</u>

The Fixed Asset Fund represents the net book value of the charity's intangible and tangible fixed assets.

The Futures Project Fund represents amounts received from donors in response to an appeal during the year to fund the charity's 'Futures Project'. The project will culminate in a new positive vision for how companies can be a force for good while delivering value for shareholders. The costs associated with the project will be incurred in 2015-16 and therefore the donations received before the year end are carried forward as restricted funds.