

Company number: 03164984

Charity number: 1055908

The Centre for Tomorrow's Company

Report and financial statements
for the year ended 31 March 2016

tomorrow's
company

The Centre for Tomorrow's Company
Report and financial statements
for the year ended 31 March 2016

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Introduction by the CEO and Founder

This annual report has been prepared at a time of turbulence in the UK and the world. There has never been a better time for businesses, especially larger businesses, to show by example that they are worthy of trust, that their leaders do care, and are in touch; that they are a force for good. To do so effectively, those in charge need to avoid the impression that they are aloof, distant, and living in a bubble of their own. They need to connect with real feelings of their people and other stakeholders.

Tomorrow's Company has long had a global focus and global influence, but our home is in the UK and this year the UK has been our focus. After 20 years of work, our core message is unchanged. The health of our economy and of our society depends crucially on the health of our companies. The companies that will succeed and endure, and create most value, are those that have a purpose beyond profit, a focus on people in all their business relationships, and robust values that guide their behaviours, and a focus on the long term. The faster the world changes, the more important is the underlying focus on the long term, on people and on purpose. The evidence to support the Tomorrow's Company approach steadily accumulates, and much of it is described in our latest report entitled 'UK Business: What's Wrong? What's Next?'

Yet the pressures upon companies and upon leaders of all kinds to behave in a short-term way have become stronger. CEOs too rarely last more than 3 years. Fund managers are too rarely rewarded for backing and encouraging long-term value creation. While in office, CEOs of listed companies feel under pressure to return a growing slice of profits to shareholders instead of re-investing it in the company's future growth.

Our new report charts the dismal result. UK Companies in total have been net savers to the tune of £100bn. This is money that could have gone into research and development, innovation, developing the talent in their workforce, investing in infrastructure and renewable energy, building more houses, and in the process earning shareholders a higher return. Companies are talking more about shareholder value while delivering less of it. Returns to shareholders have not been as bad since the 1930s. It is equally bad for shareholders, staff, and society. It is unlikely to be a coincidence, against this background, that our own corporate membership income has been under pressure. More than one listed company has commented to us that, while they value our work, there has been a decision from on high to eliminate the subscriptions budget from which their membership was traditionally funded.

Undaunted, Tomorrow's Company is determined to challenge the mind-set and identify and help remove the obstacles to long-term wealth creation. At the same time, we want to celebrate the success stories. There is a better way, and those who join the Tomorrow's Company community have the chance to help shape the detailed agenda for leadership, governance and stewardship, by which more wealth can be created, more stakeholders can share in the success, for the benefit of society. We ourselves will need to be inventive in the evolution of our funding model to adapt to these new circumstances.

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... continued

Statement of appreciation

The success of Tomorrow's Company in inspiring and enabling business to be a force for good in society owes much to the significant relationships we have established, retained and developed over 20 years.

Our individual members, corporate members and project partners have all collaborated and co-created our programmes, projects, events and initiatives. Each and every contribution from the wider TC community is valuable and appreciated.

Tomorrow's Company is proud to train and develop volunteers as part of our programme of engagement with the wider public. These volunteers bring energy, insight, intelligence and intensity to our work. 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. There is a growing and energised network of Tomorrow's Company alumni who carry our agenda in their work.

On behalf of our chair and our trustees, I should like to 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.

There is one particular acknowledgement that I would like to make. After over 17 years in various research roles, culminating in nearly 15 years as Director of Research, Policy and Strategy, Pat Cleverly will be leaving the staff team, I am glad to say, she has accepted our invitation to continue with us as Senior Fellow, working alongside Philip Sadler. She has had a central role in all our major projects and publications, from Restoring Trust in 2004, Tomorrow's Global Company in 2007, the ongoing series of Good Governance Forum guides and toolkits, Tomorrow's Business Forms, Tomorrow's Capital Markets, and of course Tomorrow's Global Leaders for which she became a recognised advocate in boardrooms and at conferences. We thank her for her outstanding dedication and commitment.

Her successor, Laurie Fitzjohn-Sykes, comes to us with valuable experience as an author and investment analyst; and with the recent publication of 'UK Business: What's Wrong? What Next?' has already proved himself an authoritative successor as Director of Research.

Mark Goyder
CEO and Founder

The Centre for Tomorrow's Company

Trustees' annual report

for the year ended 31 March 2016

The trustees are pleased to present their report together with the financial statements of The Centre for Tomorrow's Company ("TC", "We", "the Company" "the Charity") for the year ended 31 March 2016.

The reference and administrative information set out on page 27 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective from accounting periods commencing on or after 1 January 2015).

The report and statements also comply with the Companies Act 2006 as the organisation was incorporated by guarantee in 1996. TC 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.

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 3 to 6) fully meet the public benefit requirement.

Understanding Tomorrow's Company

Objectives and activities

Tomorrow's Company is a not-for-profit think-tank that exists to inspire and enable business to be a force for good in society. Our goal is to encourage a business approach that creates value for staff, shareholders and society through a focus on purpose, values, relationships and the long term.

Our approach combines vision with practicality as we identify the changes needed to ownership and governance structures and government policy in order to create conditions in which companies can flourish.

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.

The strength of our work comes from our community whom we support on their journey to be a force for good. Their experience and insight provides the practical grounding to our research and offers a network of advocates for change.

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

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Following the success of the original Tomorrow's Company Inquiry, Tomorrow's Company was founded in 1996.

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 – why we exist

Our purpose is to inspire and enable business to be a force for good in society.

UK business works for some people some of the time, not for the common good over the long term. Our research confirms that despite considerable success in many areas, there are significant macro-economic trends in British business that we cannot ignore. Companies in the UK are net savers with chronic levels of under-investment; UK industry has low productivity, low employee engagement, low real wage growth and, not surprisingly therefore, demotivated employees disconnected from management; there is significant disparity of wealth and diminishing public trust in business.

The irony is that the returns to shareholders have also been poor. We are squeezing the goose and act surprised when it lays fewer golden eggs. These macro-concerns affect individual people's lives, and the lives of the next generation.

We need a better way to do business. This is why there is a need for Tomorrow's Company - to encourage and enable business to adopt an alternative approach that focuses on purpose, values, relationships and the long term.

In our new report, 'UK Business: What's Wrong? What Next?', we argue that those companies with clear purpose and values (purpose describes the why, values the how) will succeed in the longer term ahead of those without. There is increasing evidence that, as TC has been saying for the past 20 years, an inclusive approach to business, across all stakeholders, is good for business and society as a whole in the long term.

Our mission

Our mission is to engage and influence individuals throughout the business world by providing thought-provoking research, practice forums and events, advisory and advocacy that enables better business practice.

We produce research, guides and toolkits that focus on the areas of leadership, governance and stewardship. An important part of our research process is convening individuals from across the corporate and investment landscape. This helps ground our research in practical experience. Our work often starts by challenging and engaging business leaders with an open question. We are proud to strike a careful balance between being business-led – and therefore practical – and independent of short-term business interest – and therefore able to challenge constructively and ask questions that others are not ready to ask. The charity is fully independent.

We provide charitably funded long-range applied research and strategic thinking that contributes to public understanding of the role of business and promotes business responsiveness to the needs of society.

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Tomorrow's Company is more than a set of compelling ideas. Our charitable future-focused work, our dialogue and shared exploration with members through events and forums, and our advisory, practical work enrich each other.

We are 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. It is through these methods that we work to provide public benefit in research and education.

Who we are

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.

We are a small core team, with an extraordinary community of like-minded people and organisations in our supporter base. Our community is wide-ranging and influential, and includes companies, individuals, partnerships, family businesses and other like-minded organisations in the UK, and globally –notably in India, the US and Singapore.

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 shape it. In addition to the examples offered on page 6, our influence is to be found at the heart of the UK Stewardship Code and of the Integrated Reporting movement.

We continue to combine the visionary with the practical to maximise our impact over time.

"The think tank Tomorrow's Company run by Mark Goyder is five years ahead of the pack in looking at what is needed in governance terms to make British companies sustainable wealth creators."

Anthony Hilton, Evening Standard

Our theory of change

Inputs: We turn our staff time, volunteer time, support from partners and expertise into ...

Outputs: We provide outstanding events, networking opportunities, reports and cutting-edge thinking to clients, members and the public at large, together co-creating ...

Outcomes: The outcomes we seek depend upon changing hearts and minds. We want business to make better decisions, for the long term. We want outstanding regulatory and governance frameworks, a stewardship practice as good as any in the world, and an open and enabling leadership culture.

Impact: The evidence we would hope to see would be an increasing number of outstanding case studies where businesses have improved, through better governance, stewardship and leadership & culture, and, hopefully, fewer corporate scandals.

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We can claim success when, for example, legislative changes result from the pressure that others and we have been able to build. The impact of Tomorrow's Company is widely recognised in the redefinition of directors' duties in the 2006 Companies Act. Our work on Restoring Trust – Financial Services in the Twenty First Century, published in 2004, helped inspire the creation of the UN Principles for Responsible Investment.

Our work on corporate governance was acknowledged as a key influence on the successive King reports on corporate governance in South Africa. And in 2015 our long history of work on values, culture and behaviours – especially our work with the City Values Forum on Governing Values – was acknowledged by the UK's Financial Reporting Council as it embarked on its attempts, through a 'Culture Coalition' to encourage boards and investors to focus more strongly on this area.

Our ultimate impact - to encourage better business – goes beyond legislation is intuitively logical but is difficult to demonstrate.

"Tomorrow's Company has been...a powerful influence on the thinking and practice of companies and their investors. I keep coming across examples of its impact wherever I go and it is so impressive that such a small organisation has such a large effect, especially in the way it has defined the agenda for responsible business."

Colin Melvin, Global Head of Stewardship at Hermes Fund Managers

We seek a change of hearts and minds of key decision makers, ultimately resulting in improved behaviours and decision-making. We do know that through our roundtables, our innovative analysis and published outputs and our collaborative mix of academic rigour and pragmatic member and client-focussed work, we can influence behaviours and decision making along the entire value chain.

The strength of our convening power has wider implications of course, and that is why we measure it as we do. Dialogue lies at the heart of membership, forums, client-funded advisory work and events as we co-create value. In summary, through our work we:

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

Key measures

In addition to the anecdotal and legislative evidence of our impact, our key measures of success are:

- Our brand is vital, not for its own sake but because the greater our brand awareness the stronger our communications and message;
- Our membership numbers, particularly our new and retained members and associated levels of satisfaction and engagement;
- Our supporter base, including individual benefactors and funders, trusts and foundations and other supporters;
- Our advisory capability; and
- Our own financial sustainability which is a measure of our value add in a crowded market place

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We are encouraged by anecdotal reports of our influence within individual companies, the overall quality of our events, the closeness and vibrancy of our community, the detail and insights around our Futures Project report and the ongoing efficacy and cumulative impact of the Good Governance Forum.

We would like to have more members, be further progressed with our stewardship agenda and see fewer corporate scandals and breaches of public trust in our economy. Ideally, we would have a larger group of individuals prepared to support our work.

Ultimate beneficiaries

Our impact can be described through a series of testimonies. Members of our community have stayed with us for years and continue to acknowledge the value they receive. However, our ultimate beneficiary is at a societal level where the impact of our work is felt as a wider, long-term overall benefit to society as a whole. We will continue to try to improve our impact measurement in what is typically a very difficult area to measure.

"I have been very happy with the progress made by Tomorrow's Company on this issue of stewardship. It is undoubtedly helping to shape my own thinking and I am bringing this into the Wates family / board arena." - Tim Wates, Chairman Wates Family Holdings

Achievements and performance

Our charitable activities are undertaken to further our charitable purposes and for the public benefit.

In 2015-16, we continued a process of renewal following a year of upheaval. We have further clarified our vision and purpose and streamlined our method of working.

Our activities for and with our membership have enabled 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.

Our focus over the year was concentrated on the following areas:

Futures Project

Our Futures Project 'UK Business: What's Wrong? What's Next?' formally launched on 12 May 2016.

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. Tomorrow's Company brought 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. It identified the key future challenges thereby providing the agenda for much of our work on governance, leadership and stewardship going forward. The report's main theme is reflected in the comments made on page 1.

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Governance

We define governance as “the procedures and practice associated with decision-making, performance and control, which provide structures and satisfy expectations of accountability especially in large commercial, organisations”.

As we put it in ‘Lessons from Enron, 14 years ago:

‘The company is a living system. Employees are its life-blood. Management is the heart which keeps the blood pumping. Strategy is the brain and measurement and communication the central nervous system. Culture is the DNA. Leadership and continued entrepreneurial energy are its soul and spirit. Governance and accountability are its rhythms and disciplines, like exercise, a means of keeping this living organism fit and lean. Unless we understand governance in this wide context, we will continually fail to manage risk, sustain performance and earn trust.’

Our Good Governance Forum (GGF) is a continuing collaborative undertaking involving a wide range of different partners bringing together key businesses, organisations and individuals to learn from each other through exploring what good governance means and developing frameworks and approaches that add real value to boards and policymakers.

Over the last five years, we have produced practical guides on the following subjects

- The case for the Board Mandate
- Improving the quality of boardroom conversations
- The boardroom and risk
- Tomorrow's Chairman
- Governing Values
- Tomorrow's Risk Leadership: delivering risk resilience and business performance

In the current year, in addition to the redefinition of our governance agenda through the work of our Futures project, we have focused on the development of two further pieces of practical work:

- Board evaluation – a guide for chairmen
- Governing Culture: risk and opportunity

Tomorrow's Company has been credited by the Financial Reporting Council with influence on the growing focus by companies, boards and investors on matters of corporate culture and our ongoing work on Governing Culture, to be published later in 2016, represents a major part of the FRC's Culture Coalition. Every board, and every long term investor in the UK is now aware of the importance of corporate values, behaviours and culture and that was certainly not the case when Tomorrow's Company started work in this area 20 years ago.

The Trust Test

Building on the work of our Tomorrow's Business Forms Report (2013), we have been working with the British Standards Institution on the development of the idea of the ‘Trust Test’.

This started in discussion with some of our members in different sectors about their experiences in dealing with differing and inconsistent criteria within government procurement. Government is under constant pressure to get better value out of public sector contracts, but its means of doing so are primarily through pressure on costs. It is much more difficult to specify the quality of a service, and the experience of a number of providers is that it was counterproductive to compete on quality, as this was not valued in the procurement

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process. One provider for vulnerable people described losing an existing contract in which a very high level of skill and sensitivity was required, and receiving a phone call on the first week after the start of the new contract from the successful bidder who had no idea how to deal with the problems with which they were faced.

The idea of some kind of "trust test" was felt to be a potentially positive innovation as this could enable the culture and character of an organisation to be readily understood by those interfacing with it and buying from it, and would equally reflect what others thought of that organisation and its credibility. The purpose and values of a bidder for public sector work, and its business model, needed to be understood and assessed as part of the overall procurement decision.

Stewardship

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."

Over the last 20 years, TC 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. 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. In the past year Tomorrow's Company was active in promoting investor stewardship in two different ways.

Capital Markets

Our Tomorrow's Capital Markets (TCM) report published in the summer of 2015 set out the potential for capital markets to act in a way that promotes the long-term sustainability of companies. Companies and equity markets should be key partners. Companies are the engines of wealth creation for society. 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.

Our conclusion was that this is not being fully realised. Progressive companies and investors will 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 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 TCM project focussed on what changes to incentives are needed to ensure capital markets are better structured to incentivise sustainable business behaviour.

Stewardship Alliance

On investor stewardship, we have continued to build on our earlier 2020 Stewardship report, first published in 2012. We are working with a small but influential group of asset owners, asset managers and companies to form a Stewardship Alliance. Tomorrow's company was influential in stimulating the creation of the Stewardship Code in 2010, but while there are now 288 signatories to the code, only a small number of these have dedicated significant resources to stewardship. In response, the FRC is sorting signatories to the Stewardship Code into different public tiers to help differentiate the quality of their reporting. In addition, too few asset owners have placed a meaningful focus on stewardship in how they structure and award mandates.

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To achieve this, we need to build on the definition of stewardship by outlining what, in practice, effective stewardship consists of at each point in the chain. The evidence is mounting on what the drivers and barriers are to long-term value creation in companies. A working description of stewardship is needed that draws on this evidence and offers asset owners, asset managers, and other key intermediaries a shared agenda and framework of analysis that puts the spotlight on a company's capacity in and progress towards long-term value creation, and away from financial engineering. This will strengthen the role of stewardship investors in encouraging a business approach that shifts the focus away from short-term profit.

The second step is to increase alignment for stewardship across the investment chain. This could be achieved by first building on the shared understanding of roles, responsibilities and information flows through the stewardship chain. This needs to incorporate all parts from companies to asset owners, asset managers, investment consultants, brokers and auditors. Consistently pursued, this agenda will help make the case that stewardship is critical to long-term value creation and improve the recognition and reward for stewardship. The Stewardship Alliance will work to this end.

In the course of this year, a blue print for the world's first investor stewardship awards was developed and remains ready to be used, should the right partner be found.

Talent, Leadership and Culture

Our work on leadership has also had two main strands in the course of the year. The first has been to build on our 2013 report Tomorrow's Global Leaders – how to build a culture that ensures women reach the top. The second has been to explore what globalisation, technological change and generational differences mean for leadership in the future.

Tomorrow's Global Leaders Forum (TGL)

Our TGL Forum continued to work with a wide range of leading companies and networks. The purpose of the forum has been to promote good practice, develop tool-kits to support implementation, and create a leadership community and learning which consolidates our efforts, builds momentum and reinforces other related initiatives and networks. The Forum has continued 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, as well as government policy. It is encouraging to see that there is now a wide range of organisations and networks supporting this agenda, and so we intend to pursue our commitment to it in different ways that are most likely to reach the widest audience of leaders.

Leadership: TC has championed 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 not a rare quality but abundant, diverse and multifaceted, and which everyone has to some degree and in some form. Taking this view means that there is a wider pool of talent for companies to work with, if they can only 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?

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More broadly, how do we change the governance and leadership of business so as to unleash the full power of diversity? We have considered how behaviour can ensure that companies benefit from a workforce achieving its full potential. Ultimately, organisational culture can only 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.

In January 2016, we hosted a challenging address to our members from Harriet Green, VP Internet of Things and Education at IBM and former CEO of Thomas Cook. This, together with our work for the Churchill 21st Century Leadership project, has stimulated us to design a new style of event, with a deliberately diverse audience, so that issues of culture, talent and leadership fully reach the influential audiences who are best placed to implement them. Thus, while the Tomorrow's Global Leaders Forum in its original form is unlikely to continue, the issues raised will continue to be championed by Tomorrow's Company.

Churchill 21st Century Leadership

We participated extensively in the Winston Churchill anniversary programme, hosting the business and finance panel for an eclectic group. Our focus here was around leadership for the 21st century. We found ourselves challenged by the new generation, reminding us that mentoring in business can work both ways.

With sponsorship from BlackRock and under the chairmanship of Harriet Green, TC led dialogues for the Churchill C21 leadership project and published a report in August 2015:

<http://tomorrowscompany.com/publication/21st-century-statesmanship-global-leaders-programme/>

This served as a catalyst for the rejuvenation of our own leadership work around a more contemporary leadership agenda focusing on disruptive technology and intergenerational issues.

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Events

Last year featured high profile events with authoritative speakers and critical debate of a high standard. The programme delivered was as follows:

Date	Event type	Topic	External Facilitator / Speakers	# attendees
7 April 2015	Good Governance Forum	Discussion of Global Risk Report	John Scott, Chief Risk Officer, Zurich	n/a
14 April 2015	Tomorrow's Global Leaders	The role of values in improving diversity, inclusion and engagement	Sally Bucknell, EY Neil Griffiths, RHU Oonagh Harpur, NED, HM Treasury Solicitors Michael West, The King's Fund	n/a
21 April 2015	Good Governance Forum	Making the most of your board evaluation - how can you match the board's needs to the skills and qualities of the evaluator. Good Governance Index	Ken Olisa, Chairman of Restoration Partners	22
5 May 2015	Public launch event	Launch -Tomorrow's Risk Leadership report ¹	Judith Elizabeth Hackitt CBE, Chair, UK Health and Safety Executive (keynote) John Ludlow, SVP & Head of Global Risk Management, IHG John Hurrell Chief Executive, Airmic John Scott, Chief Risk Officer, Zurich Richard Sykes Partner, PwC	90

¹ The Tomorrow's Global Risk report explores the case for a distinct and more specialist role, particularly within non-financial services, to support the board in their risk leadership role, recognising there will be differences in how risk is managed and roles are structured across organisations and sectors

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Date	Event type	Topic	External Facilitator / Speakers	# attendees
18 May 2015	2020 Stewardship Working Party	Presentation of the ICSA survey results, organised by ICSA on behalf of 2020 WP and partners	Peter Swabey, Policy and Research Director, ICSA	n/a
21 May 2015	Churchill 2015 Business and Finance Panel (London)	First roundtable discussing the meaning of leadership for companies and finance in a changing world	Harriet Green, former CEO at Thomas Cook	30
18 June 2015	Tomorrow's Global Leaders	Leadership for equality	Charlotte Sweeney, Consultant Larry Hirst, NED, ARM Holdings	n/a
26 June 2015	Churchill 2015 Business and Finance Panel Singapore	2nd roundtable: helping to shape the leaders of tomorrow and to explore the challenges leaders are facing in the twenty-first century	Peter Ward, Telos Partners	n/a
2 July 2015	Good Governance Forum	Developments in Investor Stewardship; What does the focus on the individual accountability of board members mean for the collective responsibility of the board?	Peter Swabey, ICSA Liz Murrall, the Investment Association, David Styles the FRC Richard Shoykov, CoSec & General Counsel Rosemary Martin, CoSec and General Counsel, Vodafone	23
15 July 2015	Churchill 2015 Business and Finance Panel Guildhall, London	3rd breakfast roundtable: next generation leadership in the business and finance sector	Mark Boleat, Chairman of the Policy and Resources Committee of City of London	30
29 July 2015	Futures Project roundtable	Discussion of interim report. Do companies succeed by adopting an inclusive and responsible approach? What has the progress been towards this, what have been the barriers?	Chairman, CEOs & senior management	15

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Date	Event type	Topic	External Facilitator / Speakers	# attendees
30 July 2015	Futures Project roundtable	Advisory Panel : discussion of interim report	Julian Baddeley, Deputy Company Secretary, Aviva	13
7 Sept 2015	Futures Project workshop (with Frank Bold Society)	Corporate Governance for a changing world	N/A	40
9 Sept 2015	Futures Project roundtable	Executive Remuneration – Is the structure and level of executive pay reducing public trust in business and leading to worsening company performance?	N/A	20
15 Sept 2015	Tomorrow's Global Leaders	Churchill Business & Finance report, looking at the leadership skills needed in the 21st century	Oliver Rees, Product Developer, Decoded, Ong Boon Hwee, CEO, Stewardship Asia, Gillian Stamp, Director, Bios	20
16 Sept 2015	University of East Anglia dinner discussion hosted by Andy Wood (Adnams), Jane Galvin (Barclays), Paul Dobson (UEA)	Inclusive Leadership (Futures Project)	Melanie Richards, Vice Chairman KPMG	13
17 Sept 2015	Futures Project roundtable	Embedding purpose and values - Culture and purpose are critical to company success. Announcing a purpose is easy, it is far harder to embed a purpose and culture within a company	Patrick Brodie RPC, Susanne Stormer, Vice President, Global TBL Management, Novo Nordisk Matt Grimshaw, Partner, Pioneers	12
23 Sept 2015	Futures Project roundtable (sponsored & organised by PwC)	Compliance: the future of compliance and how it can create value, rather than purely meet regulations	Richard Sykes, PwC	20
28 Sept 2015	Futures Project roundtable	How to overcome short-termism in business	N/A	16

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Date	Event type	Topic	External Facilitator / Speakers	# attendees
29 Sept 2015	Good Governance Forum	Discussion building on executive remuneration Conclusions from the Futures Project and how boards can ensure that the company is adhering to the principles of the inclusive approach	Keith Hamill OBE	25
30 Sept 2015	BSI meeting	Potential for a British Standard for procurement/government procurement using the tomorrow's business forms trust test	Sarah Walton (BSI)	10
20 Oct 2015	University of East Anglia dinner discussion hosted by Andy Wood (Adnams) Paul Dobson (UEA)	Social media and its use by tomorrow's leaders	Tom Edmonds, Founder, Edmonds Elder	16
21 Oct 2015	Board evaluation roundtable With Chairman's Forum	Investor roundtable	Anita Skipper, Aviva Investors	12
22 Oct 2015	Board evaluation roundtable With Chairman's Forum	Chairmen roundtable	Robert Swannell, Chairman Marks & Spencer	6
23 Oct 2015	Board evaluation roundtable With Chairman's Forum	Company Secretary roundtable	Clare Wardle, Kingfisher	12
27 Oct 2015	Public launch event	Launch of Tomorrow's Capital Markets report	Barbara Ridpath, Director, St. Paul's Institute Leon Kamhi, Executive Director, Hermes Revd Hugh Thomas, Curate, St Katharine & St Margaret Mark Goyder	55

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Date	Event type	Topic	External Facilitator / Speakers	# attendees
28 Oct 2015	Futures Project roundtable	Discussion of the outcomes of the Futures Project report	N/A	15
17 Nov 2015	Board Evaluation	Chairman roundtable	David Tyler, Chairman Sainsbury's	6
18 Nov 2015	Annual Parliamentary Reception	Preview of the Futures Project	Hosted by Lord Haskel Andy Wood, Adnams	160
19 Nov 2015	Tomorrow's Global Leaders	What does inclusion mean in a global context?	Daniel Danso, Linklaters Lin Yue, Executive Director, Goldman Sachs	16
28 Jan 2016	Tomorrow's Global Leaders	Twenty-first century leadership: A personal view of the changing world and what it means for leaders of tomorrow	Harriet Green, VP & GM, Internet of Things & Education at IBM	52
2 Feb 2016	Good Governance Forum	Meeting: outcomes of the Global Risks report WEF Dinner: key topics for GGF 2016	John Scott, Chief Risk Officer for Global Corporate, Zurich	34
24 Feb 2016	BSI workshop	Trust tests and their use in public/private procurement	Sara Walton, BSI	n/a
21 March 2016	Public launch event	Churchill 2015 Business and Finance Panel report	Andrew Hill, Management Editor, Financial Times Harriet Green, VP & GM Internet of Things & Education Oliver Rees, Innovation Product Lead, Decoded Helen Brand, CEO, ACCA Chris Hirst, CEO, Havas	75

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Speaking engagements

Our many and varied speaking engagements included:

- | | |
|--------------------|---|
| 12 June 2015 | Philip Sadler participated at the AIRC4: 4th Ashridge International Research Conference and was a speaker on the topic of 'People and process challenges in the knowledge intensive nexus'. This conference addressed the challenges of leading and managing knowledge intensive service organisations (KIS), departments and public services, building effective leadership and management skills and creating value through people, our major assets. |
| 16 June 2015 | Mark Goyder participated as panel member at the launch of the Good Governance Index, forming part of the Great Governance Debate. Through this new report, the Institute of Directors calls on businesses and regulators to take a fresh approach to corporate governance. |
| 24 June 2015 | Mark Goyder spoke at the Stewardship Asia Forum in Singapore – Stewardship: Building on Asia's Strength. Mark chaired a discussion around 'Stewardship at Work – Experience and Practices'. The Stewardship Asia Forum provides a high-level mutual-learning and networking platform for business leaders across Asia from companies, organisations and institutions committed to sound stewardship and corporate governance. |
| 7 July 2015 | Mark Goyder spoke at the Centre for Effective Dispute Resolution (CEDR) Leadership Forum. The forum, celebrating the 25th anniversary of CEDR, discussed the progress in leadership over the last 25 years, and the changes or shifts which are relevant to the future. Mark Goyder drew attention to a wide body of evidence about what makes companies successful in the long term. |
| 6 October 2015 | Mark Goyder spoke at the PwC Non-Executive Director's Forum. Mark discussed whether there is a need for a new and 'better' form of governance that is more proactive than reactive and embraces the entrepreneur agenda. He was able to reference Tomorrow's Company work on governance, stewardship and leadership as well as the ongoing Futures Project. |
| 12-13 October 2015 | Mark Goyder was the keynote speaker at the Securities and Investors Association of Singapore in Singapore. |
| 22 October 2015 | Mark Goyder was a judging member of the panel for the Ashridge Business School Leader of the year 2015 award. |
| 11 November 2015 | Pat Cleverly spoke at the Institute of Risk Management Conference together with Mike Clark from Russell Investments. They highlighted the critical role that capital markets have in helping to address the many societal challenges we face and how they should change to promote the long-term sustainability of companies in ways that are not currently being utilised, referring to our recently published Tomorrow's Capital Markets report. |
| 21 January 2016 | Mark Goyder took part in the IoD breakfast roundtable on the topic of 'Building Trust in Business' organised by Simon Walker. |
| 9 March 2016 | Mark Goyder was a panel member at the ICSA Annual Conference and talked about how strong values can improve an organisation's performance. |

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Media coverage

Our media coverage is viewable on our news section: <http://tomorrowcompany.com/news>. A summary of major coverage is as follows:

Date	Media Name	Title	Subject	Written by
16/4/15	Business Times	Corporate stewardship: making the leap from theory to practice	Investor Stewardship	Mark Goyder & Ong Boon Hwee
21/4/15	FT	Corporate responsibility held back by short-term thinking	Corporate Governance	Sarah Murray
5/5/15	CIR Magazine	View: Rethink risk leadership, Airmic urges	Tomorrow's Risk Leadership	John Hurrell
5/5/15	Post	Increasingly complex risks spark calls for overarching leadership	Tomorrow's Risk Leadership	Callum Brodie
6/5/15	Evening Standard	Anthony Hilton: New blueprint seeking to curb risky business	Tomorrow's Risk Leadership	Anthony Hilton
7/5/15	Strategic Risk Global	Executive risk leader to help firms avoid the next big crisis	Tomorrow's Risk Leadership	N/A
8/5/15	Commercial Risk Europe	Business leaders and Airmic call for executive risk leadership role	Tomorrow's Risk Leadership	Ben Norris
11/5/15	Risk & Compliance Europe	Exciting opportunities for risk professionals wanting a more strategic influence	Tomorrow's Risk Leadership	N/A
5/6/15	Global Association of Risk Professionals	Wanted: New Breed of Board-Level Risk Leader	Tomorrow's Risk Leadership	Katherine Heires
16/6/15	Director	Corporate governance	Good Governance Index	Jake Cordell
18/6/15	PwC	Corporate Governance in the Boardroom	Corporate Governance	PwC Publication
27/10/15	Share Radio	Capital Markets discussed by Mark Goyder at Morning Money	Capital Markets	Nigel Cassidy & Mark Johnson
28/10/15	Investment & Pensions Europe	Asset managers say capital markets must be 'servants of society'	Capital Markets	Jonathan Williams
5/11/15	Blue & Green Tomorrow	Tomorrow's Company Inquiry into capital markets explores incentives needed for long-term investment	Capital Markets	Simon Leadbetter
11/11/15	Blue & Green Tomorrow	Exclusive interview: Mark Goyder CEO of Tomorrow's Company	Governance, Leadership & Stewardship	Simon Leadbetter
16/11/15	Evening Standard	Letters to the editor: Build on brownfield belt - Historic companies as a force for good	Corporate Governance	Mark Goyder
15/12/15	Financial Times	Letter: VW's scandalous omission	Corporate Governance	Mark Goyder
04/03/16	Director	Trust in Business	Leadership	Christian Koch

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Tomorrow's Company and its work on stewardship was also mentioned by Lord Haskel at two different House of Lords debates - on 10th September 2015 and on 19th November 2015 discussing foreign ownership.

Social media

Since developing our social media presence in 2014, we have doubled our twitter followers. In 2015, we completed our first thorough and binding social media policy, which is user friendly, inclusive of all Tomorrow's Company people (staff and volunteers), thus protecting the organisation and our members. We continue to promote our agenda across all approved available channels.

The Tomorrow's Company Blog (www.tomorrowscompanyblog.com) went live on 25 February 2015. The blog provides the opportunity for Tomorrow's Company members, volunteers and permanent staff to increase the organisation's visibility while expressing in their own voice the issues Tomorrow's Company is examining. Since the blog was launched, 27 blog posts have been posted and there have been 2,000 visitors, 4,272 views and 15 individual comments.

On 1 April 2015, we had 1,258 followers on Twitter. Currently on 1,665 followers, we are expanding our network constantly and steadily. We are engaging our audience on a personal level using Twitter's DM function and regularly use 'Saturday Tweet' to maximise visibility.

Website

In the financial year 2015-16, we had 26,385 visits with 20,687 unique visitors (2014: 24,587) (77%) on tomorrowscompany.com. Although the percentage of new visitors has been steadily increasing, this has not increased the number of total visits and unique visitors of the website. Our feedback highlights the difficulty of using the website as a major issue in retaining and attracting more visitors.

We have, since the year-end, built and launched a new website, which went live in May 2016. By modernising and simplifying our website, we aim to create a more user-friendly space that will allow clearer and simpler user journeys. The new website will help us attract and retain more users, and provide quick and easy access to information flexibly displayed.

Reports and publications

Our major publications in the year were as follows:

- Churchill 2015: 21st Century Statesmanship Global Leaders Programme (Oct 2015)
- Tomorrow's Capital Markets: Investing in what we value (Oct 2015)
- Tomorrow's Corporate Governance: Tomorrow's Risk Leadership – delivering risk resilience and business performance (May 2015)
- UK Business What's Wrong? What's Next? (produced throughout 2015, published May 2016)
- Tomorrow's Corporate Governance: Evaluating board effectiveness (produced throughout 2015, due to be published Aug 2016)

International impact

TC will continue to think globally and explore the macro issues. We maintain strong links in India, Singapore, the Middle East and the USA in particular. Mark Goyder was a speaker and facilitator at the Stewardship Asia Round Table in June 2015, and co-published three articles about Investor Stewardship with Stewardship Asia's CEO Ong Boon Hwee.

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Membership

Tomorrow's Company brings together a diverse community from business, investment, policymaking and opinion formers. Our corporate members and individual Patrons are at the heart of this community, sharing their experience and combining their energies in support of our mission. This membership community sustains our ability to combine research excellence with practical experience and case studies. In our forums, dialogues, and collaborative projects we pose the questions and explore the answers that others might not identify.

This is achieved through a combination of:

- **Convening power** - bringing together business leaders for shared learning, through participation in our research projects, membership of our forums or the commissioning of private roundtable series.
- **Research projects** - involving organisations as project partners. Participation encourages a change in mind-set, promoting decisions and behaviours that lead to sustainable business success.
- **Forums** - providing a safe space to learn and share what works and what we can learn from each other.
- **Creating opportunities** - through cost effective events ranging from conferences to private roundtable discussions, where members have the opportunity to network, promote their own best practice and associate with the mission. Tomorrow's Company is well known for putting on a high profile range of events and dialogues. Many events are open to all; some are by invitation only.

Advisory

Drawing on more than twenty years of experience, we have provided support, bespoke advice, and acted as a critical friend to members and partners. An example as mentioned on page 21 is our partnership with Boots Global Brands, for whom we have set up and continue to facilitate their Stakeholder Advisory Panel.

We have provided provocations to company boards and board sub-committees challenging them to focus on the longer term and to find their unique points of differentiation. We have also supported companies by providing a critique of their sustainability reports and on the development of their board mandates.

Financial review

The charity's results for the financial year ended 31 March 2016 are set out in the attached financial statements and notes. Net expenditure for the year amounted to £50k (2014-15: net expenditure £77k), reducing total fund balances retained at the year-end from £71k to £21k.

The charity achieved a surplus of £6k on unrestricted funds for the year, increasing unrestricted funds from £15k to £21k. After taking into account fixed assets, which are not easily realisable, the charity's free reserves totalled £11k - an increase of £19k from the previous year; however the level of the charity's free reserves at the year-end remained very low and the trustees remain concerned and vigilant with regard to the overall financial situation of the charity.

Review of income

Most of our income comes 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.

Income for the year to 31 March 2016 reduced from £838k in 2014-5 to £646k in 2015-16. Partly this is in line with a sharper focus of the organisation. However, we recognise that the market in which we operate is competitive and our members are themselves operating under tight financial constraints. In particular, the market for membership subscriptions, our traditional source of recurrent income, is extremely tight. Historical renewal rates of 80% - 90% are now less dependable. Some existing or potential members greatly value participation but struggle to find the budget for a £5-10k annual subscription.

Overall, total membership income fell to £291k down from £372k in 2014-15. There has been a weakening of membership renewals through the general economic uncertainty, a reluctance of large companies to commit subscription income, and a desire from funders for something more tangible. Despite the overall decline in membership income, the charity was pleased to welcome the University of East Anglia as a new strategic member. There is potential for a significant development of this partnership in future. In 2016, we plan to refresh our membership model to one with a lower threshold of entry and to offer more chance to participate in defined and time-limited projects.

A new Patrons programme has been developed for individual supporters, many of whom have experienced TC corporately and want to support us personally. These influential people believe in the power of business as a force for good in society. The recommended donation level is £2k. We have received more than 10 firm commitments so far.

There has been some progress in the development of our advisory and speaking income. Our advisory contract as 'critical friend' and operator of the Sustainability Advisory Panel for Boots Global Brands started in 2015 and is now into its second year.

We had budgeted for an overall surplus in the year, but suffered two setbacks. First, we did not receive the targeted levels of financial support for the Futures project. Secondly, a major sponsor for a planned piece of work in the area of investor stewardship decided to discontinue the work after the first stage. Together these two shortfalls hit our revenue by £140k.

During the year, we were fortunate to receive £54k (2014-15: £43k) in donated services and facilities. These gifts from corporate partners have helped to facilitate a wide range of activities including meetings and programme events. We are most grateful.

It is difficult to attribute an economic value to the contribution of general volunteers, so their contribution has not been included in the statement of financial activities. However, we estimate the contribution of our volunteers' time to be around 10 months in total.

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A detailed analysis of income is shown in the Statement of Financial Activities (SOFA) and notes 3 and 4 to the financial statements.

Review of expenditure

Total expenditure for the year amounted to £696k, which represents a reduction of £220k, or 24%, from total expenditure in 2014-15 of £916k. As we sharpened our focus, we also reorganised and progressively reduced our staff numbers and our non-labour costs and moved to a significantly smaller office space. Overall, monthly expenditure levels have been managed steadily downwards through the year, and annualised cost levels have reduced by more than 40% in the last two years.

Importantly, among the significant cost savings is also a removal of a previous financial commitment on our office accommodation. We now operate our office space on a pay as you go basis, with no ongoing liability to the charity beyond a one-month notice period.

A detailed analysis of expenditure is shown in the Statement of Financial Activities (SOFA) and note 5 to the financial statements.

Reserves policy and going concern

The trustees have established a long-term policy that the organisation's free reserves should be built up to a sufficient level to cover at least three months' expenditure in order to mitigate the risk of income falling below expected levels. The target level of free reserves is reviewed on an annual basis and in 2015-16 was set according to present levels of core activity at a minimum figure of around £150k.

At 31 March 2016, the charity's free reserves were £11k (2014-15: in deficit by £8k). The trustees are acutely aware that this level of reserves is both insufficient and undesirable. We will seek to rebuild reserves in accordance with the policy in the coming years through the introduction of a new membership model, a stronger emphasis on major fundraising to support independent research, the continued development of the recently launched Patrons Scheme, and the continued search for further cost savings where possible.

Restricted fund balances do not form part of the charity's reserves, as the trustees have no discretion over this. Restricted funds are carried forward into the current year to comply with our donors' specific requirements. This includes funding received in advance to finance ongoing projects planned for the current and future years. At 31 March 2016, these funds had all been spent down.

The trustees have re-confirmed their commitment to building a strong reserves position to plan our own long-term success whilst recognising the current difficulties in achieving this given the current economic uncertainties.

The current low level of reserves remains a serious concern for the Board. However, the trustees are of the view that measures taken subsequent to the year-end to reduce operating costs have secured the immediate future of the charity for the next 12 to 18 months and that on this basis the charity is a going concern.

As referred to in note 1 of the financial statements, the trustees have given due consideration to the working capital and cash flow requirements of the charity, and an overdraft facility of £30k has been agreed with Handelsbanken on their normal commercial terms, reviewable six monthly. 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.

The financial statements are therefore drawn up on the going concern basis, which assumes the charity will continue in operational existence for the foreseeable future.

Plans for the future

TC will continue to strengthen and support a talented young team to help it win more impact and more resources for its future work. Over the last 18 months, we have built a fresh and lean young team to take this work forward. Laurie Fitzjohn Sykes, who worked formerly as an analyst in the City, has been recruited as Director of Research.

All of this provides the platform for the next four years of work. To fund this work and strengthen the advocacy and convening power of TC we are seeking:

- to engage further corporate members, offering a more intensive series of dialogues, and giving members the opportunity to invest in specific research projects of great interest to them. This maintains the crucial convening role of the organisation.
- to continue the development of the advisory strand, with paid advice, speaking, and facilitation. The charity's trading subsidiary, Tomorrows Company Enterprises Limited, which has been dormant for a number of years, was reactivated on 1 April 2016 and will be used for any non-primary purpose trading activity. Profits made in the trading company will be gift-aided to the charity.
- to increase the flow of charitable income, from those who support our purpose, initially to extend our reach and to create six months reserves and a secure funding platform for the future.

Working with a growing, involved and influential community, we will continue to focus the growth and authority of our three overlapping themes around Culture and Leadership, Corporate Governance and Investor Stewardship. We will continue 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, and achieving growing influence through the networks and channels of communication that these partnerships open up.

At a time of great uncertainty, we believe we have a crucial contribution to make. We will influence the way that people think about companies and the role of business in the 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.

We need to develop our organisation in key areas, strengthening the business experience and credibility of the senior team, with succession in mind. As funds allow we will develop key functions including sales and marketing, communications and advocacy.

We aim to achieve a broadly equal split of our income between advisory, membership and charitable sources in the coming years. Our goal is to be a £1.5m organisation by 2019.

Structure, governance and management

The trustees generally meet five times per year as well as a number of additional telephone board meetings plus a strategy away day. Board focus is on the following areas:

- External Impact
- Resources, Organisation
- 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.

Our Board carries the ultimate liability for what we do. They give as they can, some from their own pocket and all through their skills, time and experience.

The executive covers the key functions of:

- Research, including the three forums on Stewardship, Governance and Leadership & Culture;
- Communications, including Events, PR and Advocacy; and
- Sales and Marketing, including relationship management with our key partners.

These are supported by a strong back office.

Legal structure

The Centre for Tomorrow's Company is a charitable company limited by guarantee, incorporated on 27 February 1996 and registered as a charity on 25 June 1996.

The organisation has a Memorandum of Association, which sets out the objects and powers of the charitable company, and is governed in accordance with its Articles of Association.

Trading subsidiary

The charity has one wholly owned subsidiary, Tomorrow's Company (Enterprises) Limited (company registration number 03103119), which is registered in England. The trading subsidiary's principal activity is the promotion of the ideas promulgated by Tomorrow's Company. The company did not trade in the current or preceding financial year, and was dormant at 31 March 2016.

Trustee appointment, induction and training

When a place on the board of trustees becomes vacant, Tomorrow's Company communicates the vacancy to its network of relationships and connections.

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.

The Centre for Tomorrow's Company
Trustees' annual report
for the year ended 31 March 2016

Related parties and relationships with other organisations

All trustees give their time voluntarily and generally receive no benefits from the charity. An exception to this is Mr Mark Goyder who has permission to act as both Trustee and CEO. Bobby Reddy provided consultancy services to the charity, as approved by the Charity Commission, for part of the financial year, as further outlined in Note 7 to the financial statements.

Any expenses reclaimed from the charity are set out in note 7 to the financial statements.

Remuneration policy for key management personnel

In deciding appropriate pay levels, Tomorrow's Company aims to strike a balance between paying enough to recruit and keep people with the skills we need, our employees' needs, and the public and our donors' expectations that the money they entrust us with will be used wisely.

In setting CEO and senior management pay, the Board takes account of the skills and experience required for each of the roles and the remuneration in the sectors from which suitable candidates for such posts would be found. They have taken independent advice to inform those judgements. They also take account of affordability for the charity.

The pay of the senior staff is normally reviewed annually and increased in accordance with average earnings. Due to the decline in the charity's income, no key management personnel received a salary increase in 2015-16.

Risk management

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. In the context of cost and practicality, the system of internal controls is intended to manage rather than eliminate risks, and to give reasonable rather than absolute assurances.

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.

The trustees exercise their responsibilities through regular 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
- regular management accounts and reviews of actual performance by the executive and trustees
- maintenance and regular review of the risk matrix
- regular and active monitoring of cash flow

The leadership are currently reviewing a revised membership proposition to take to market.

As a think tank and campaigning charity, the nature of our engagement and public comments are intrinsically linked to our reputation, which is guarded with extreme care.

The Centre for Tomorrow's Company

Trustees' annual report

for the year ended 31 March 2016

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. 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 charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and statements of recommended practice 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 charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Auditor

Buzzacott LLP was re-appointed as the charitable company's auditor during the year and have expressed their willingness to continue in that capacity under Section 485 of the Companies Act 2006.

The Trustees' Annual Report has been approved by the trustees on 28 June 2016 and signed on their behalf by:

Barrie Collins

Chair

The Centre for Tomorrow's Company
Reference and administrative information
for the year ended 31 March 2016

Charity name	The Centre for Tomorrow's Company	
Charity number	1055908	
Company number	03164984	
Registered office	4th Floor 33 Cannon Street London EC4M 5SB	
Trustees	Trustees, who are also directors under company law, and who served during the year and up to the date of this report were as follows:	
	Barrie Collins	Chair
	Ian Saville	Treasurer (appointed 30 April 2015; resigned 8 December 2015)
	Lysanne Currie	(appointed 7 July 2015; resigned 11 March 2016)
	Mark Goyder	
	Bobby Reddy	(appointed 22 January 2016)
	Christopher Sawyer	
	Andrew Wood	(resigned 25 May 2016)
Company secretary	Julian Baddeley	
Key management personnel	Mark Goyder	Chief Executive
	Timothy Morris	Director of Finance
	Patricia Cleverly	Director of Research (to October 2015)
	Laurie Fitzjohn-Sykes	Director of Research (from November 2015)
Bankers	The Co-operative Bank plc 80 Cornhill London EC3V 3NJ	
	Handelsbanken 5th Floor 13 Charles II Street London SW1Y 4QU	
Auditor	Buzzacott LLP Chartered Accountants 130 Wood Street London EC2V 6DL	

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

We have audited the financial statements of The Centre for Tomorrow's Company for the year ended 31 March 2016, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, 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), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

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 auditor

As explained more fully in the statement of trustees' responsibilities, 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: (1) whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; (2) the reasonableness of significant accounting estimates made by the trustees; and (3) the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report 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.

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 as well as within the Trustees' Annual Report on page 23, 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 auditor's report to the members of The Centre for Tomorrow's Company

... continued

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 and of 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 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 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
- 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 financial statements 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.

Shachi Blakemore (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 2016

	Note	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 (as restated) £
Income from:					
Donations and membership subscriptions	3	461,632	35,000	496,632	668,627
Charitable activities:					
Research programmes and communications		49,816	-	49,816	112,453
Advisory fees		98,900	-	98,900	51,506
		<u>148,716</u>	<u>-</u>	<u>148,716</u>	<u>163,959</u>
Investments	4	191	-	191	3
Other		100	-	100	5,812
Total income		<u>610,639</u>	<u>35,000</u>	<u>645,639</u>	<u>838,401</u>
Expenditure on:					
Raising funds	5	159,421	-	159,421	177,513
Charitable activities:					
Membership activities	5	145,786	-	145,786	210,842
Research programmes and communications	5	270,899	91,000	361,899	505,744
Advisory services	5	28,817	-	28,817	21,544
		<u>445,502</u>	<u>91,000</u>	<u>536,502</u>	<u>738,130</u>
Total expenditure	5	<u>604,923</u>	<u>91,000</u>	<u>695,923</u>	<u>915,643</u>
Net income/(expenditure) and net movement in funds for the year	6	5,716	(56,000)	(50,284)	(77,242)
Reconciliation of funds:					
Total funds brought forward	22	14,892	56,000	70,892	148,134
Total funds carried forward		<u>£ 20,608</u>	<u>£ Nil</u>	<u>£ 20,608</u>	<u>£ 70,892</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 17.

The annexed notes form part of these financial statements

The Centre for Tomorrow's Company

Balance Sheet

as at 31 March 2016

	Notes	2016		2015 (as restated)	
		£	£	£	£
Fixed assets:					
Tangible assets	12		9,479		22,558
Investment in subsidiary	13		1		1
			<u>9,480</u>		<u>22,559</u>
Current assets:					
Debtors	14	88,428		171,189	
Cash at bank and in hand		26,421		13,057	
		<u>114,849</u>		<u>184,246</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(103,721)		(135,913)	
Net current assets			<u>11,128</u>		<u>48,333</u>
Net assets			<u>£ 20,608</u>		<u>£ 70,892</u>
Funds					
Restricted income funds	17		-		56,000
Unrestricted funds:					
Designated funds		9,479		22,558	
General fund		11,129		(7,666)	
			<u>20,608</u>		<u>14,892</u>
Total charity funds			<u>£ 20,608</u>		<u>£ 70,892</u>

Approved by the trustees on 28 June 2016 and signed on their behalf by:-

BARRIE COLLINS, Chair

MARK GOYDER, Trustee

The annexed notes form part of these financial statements

The Centre for Tomorrow's Company

Statement of Cash Flows

for the year ended 31 March 2016

	Notes	£	2016 £	£	2015 £
Cash flows from operating activities:					
Net cash provided by (used in) operating activities	18		13,173		(22,867)
Cash flows from investing activities:					
Interest from investments		191		-	
Net cash provided by investing activities			191		-
Change in cash and cash equivalents in the year			13,364		(22,867)
Cash and cash equivalents at the beginning of the year			13,057		35,924
Cash and cash equivalents at the end of the year	19		26,421		13,057

The Centre for Tomorrow's Company

Notes to the financial statements

for the year ended 31 March 2016

1. ACCOUNTING POLICIES

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

(a) *Basis of preparation*

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note(s).

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

The financial statements are presented in sterling and are rounded to the nearest pound.

(b) *Reconciliation with previously Generally Accepted Accounting Practice (GAAP)*

In preparing the financial statements, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 April 2014.

At the date of transition in applying the requirement to recognise liabilities arising from employee benefits, a liability has been recognised for short-term compensated absence arising from employee entitlement to paid annual leave. The initial liability recognised at the date of transition is for the holiday entitlement carried forward and for the entitlement arising in the year which was due but not taken.

In accordance with the requirements of FRS 102, a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP. This is provided in note 22. No other restatements were required.

(c) *Critical accounting estimates and areas of judgement*

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets
- estimating the value of gifts in kind

(d) *Going concern*

After making enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt, and to consider appropriate, the going concern basis in preparing the financial statements.

The charity reported a surplus of £6,000 on unrestricted funds for the year, increasing unrestricted funds from £15,000 to £21,000. After taking into account fixed assets, which are not easily realisable, the charity's free reserves totalled £11,000 - an increase of £19,000 from the previous year; however the level of the charity's free reserves at the year-end remained very low compared to the reserves policy target of £150,000 to £300,000.

The Centre for Tomorrow's Company

Notes to the financial statements

for the year ended 31 March 2016

1. ACCOUNTING POLICIES (continued)

(d) *Going concern (continued)*

The trustees have given due consideration to the working capital and cash flow requirements of the charity, and an overdraft facility of £30,000 has been agreed with Handelsbanken on their normal commercial terms, reviewable six monthly in replacement of a similar facility in place in the prior period. 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. In addition, the trustees are of the view that the charity's business plan and measures taken subsequent to the year-end to reduce operating costs provide a reasonable expectation that the charity will be able to continue in operation and meet its liabilities as they fall due over the period.

The future income of the charity - particularly voluntary income - is inherently uncertain and represents the most significant source of estimation uncertainty at the reporting date that has a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period; however, the trustees and management remain in regular contact with core supporters to secure ongoing financial support and increasing the charity's levels of free reserves.

(e) *Income*

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Grant income, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Donations and members' subscriptions are recognised when the charity has unconditional entitlement to the resources.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Income received that has specific restrictions placed upon its use is recognised as restricted income on a receivable basis. Unspent balances are carried forward within the relevant restricted fund.

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

(f) *Donations of gifts, services and facilities*

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

(g) *Interest receivable*

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

The Centre for Tomorrow's Company

Notes to the financial statements

for the year ended 31 March 2016

1. ACCOUNTING POLICIES (continued)

(h) *Fund accounting*

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

(i) *Expenditure and irrecoverable VAT*

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the direct costs of delivering member services, research, advisory, events and speaking engagements, and publications undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is included within support costs.

(j) *Allocation of support costs*

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central functions including premises and back office costs, finance, IT, HR, payroll, governance and strategy costs, is apportioned on the following basis:

- Premises and back office costs are apportioned based on the full-time equivalent (FTE) headcount associated with each activity.
- Central support function costs including finance, IT and HR costs are apportioned based on the direct staff costs associated with each fundraising and charitable activity.
- Governance costs are apportioned based on the total costs of fundraising and charitable activities after allocations of all other support costs.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

(k) *Operating leases*

Rental charges are charged on a straight line basis over the term of the lease.

The Centre for Tomorrow's Company

Notes to the financial statements

for the year ended 31 March 2016

1. ACCOUNTING POLICIES (continued)

(l) *Tangible fixed assets and depreciation*

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

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

(m) *Debtors*

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

(n) *Cash at bank and in hand*

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(o) *Creditors and provisions*

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

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(p) *Pensions*

The charity operates a defined contribution pension scheme which is open to all employees. Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 8. Outstanding contributions at the year end totalled £12,152 (2015: £5,766). The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

(q) *Transition to FRS 102*

The opening fund balances at the date of transition have been restated (see note 1b) due to a liability for holiday pay but no subsequent restatement of items has been required in making the transition to FRS 102. The transition date was 1 April 2014.

The Centre for Tomorrow's Company
Notes to the financial statements
for the year ended 31 March 2016

2. DETAILED COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	<i>Unrestricted Funds 2015</i>	<i>Restricted Funds 2015</i>	<i>Total Funds 2015 (as restated)</i>
	£	£	£
Income from:			
Donations and members' subscriptions (note 3)	612,627	56,000	668,627
Charitable activities:			
Research programmes and communications	112,453	-	112,453
Advisory fees	51,506	-	51,506
	<u>163,959</u>	<u>-</u>	<u>163,959</u>
Investments (note 4)	3	-	3
Other	5,812	-	5,812
Total income	<u>782,401</u>	<u>56,000</u>	<u>838,401</u>
Expenditure on:			
Raising funds (note 5)	177,513	-	177,513
Charitable activities:			
Membership activities (note 5)	210,842	-	210,842
Research programmes and communications (note 5)	505,744	-	505,744
Advisory services (note 5)	21,544	-	21,544
	<u>738,130</u>	<u>-</u>	<u>738,130</u>
Total expenditure	<u>915,643</u>	<u>-</u>	<u>915,643</u>
Net (expenditure)/income and net movement in funds for the year	(133,242)	56,000	(77,242)
Reconciliation of funds:			
Total funds brought forward	148,134	-	148,134
Total funds carried forward	<u>£ 14,892</u>	<u>£ 56,000</u>	<u>£ 70,892</u>

The Centre for Tomorrow's Company

Notes to the financial statements

for the year ended 31 March 2016

3. INCOME FROM DONATIONS AND MEMBERSHIP SUBSCRIPTIONS

	Unrestricted Funds 2016	Restricted Funds 2016	Total Funds 2016	Total Funds 2015 (note 2)
	£	£	£	£
Membership subscriptions	290,750	-	290,750	371,700
Donations and gifts	117,382	35,000	152,382	253,927
Donated services and facilities	53,500	-	53,500	43,000
	<u>£ 461,632</u>	<u>£ 35,000</u>	<u>£ 496,632</u>	<u>£ 668,627</u>

The charity is grateful to several of its members and supporters for hosting many of its events and roundtables during the year. The value of this service to the charity is estimated at £53,500 (2015: £43,000). The estimated value of these services is recognised within income as a donation, and an equivalent charge included within event costs.

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the financial statements.

4. INCOME FROM INVESTMENTS

	Unrestricted Funds 2016	Restricted Funds 2016	Total Funds 2016	Total Funds 2015 (note 2)
	£	£	£	£
Bank interest receivable	191	-	191	3
	<u>£ 191</u>	<u>£ Nil</u>	<u>£ 191</u>	<u>£ 3</u>

The Centre for Tomorrow's Company

Notes to the financial statements

for the year ended 31 March 2016

5. ANALYSIS OF EXPENDITURE

	Charitable activities						2016 Total £	2015 Total £
	Raising funds £	Membership activities	Research programmes and comms £	Advisory services £	Governance costs £	Support costs £		
Staff costs (note 8)	72,895	37,350	157,492	12,598	42,749	126,895	449,979	648,013
Event costs	-	53,500	6,174	-	-	-	59,674	43,000
Printing and publications	-	-	3,026	-	-	-	3,026	38,531
Premises and office costs	-	-	-	-	-	77,444	77,444	123,472
Legal and professional costs	-	-	-	-	-	76,960	76,960	35,542
Depreciation	-	-	-	-	-	10,972	10,972	12,319
Loss on disposals of fixed assets	-	-	-	-	-	2,107	2,107	-
Irrecoverable VAT	-	-	-	-	-	7,124	7,124	10,931
Audit fees	-	-	-	-	8,000	-	8,000	3,835
Trustees' meeting costs	-	-	-	-	637	-	637	-
	72,895	90,850	166,692	12,598	51,386	301,502	695,923	915,643
Support costs	67,284	37,340	151,527	12,741	32,610	(301,502)	-	-
Governance costs	19,242	17,596	43,680	3,478	(83,996)	-	-	-
2016 Total expenditure	£ 159,421	£ 145,786	£ 361,899	£ 28,817	£ Nil	£ Nil	£ 695,923	£ 915,643
2015 Total expenditure (note 2)	£ 177,513	£ 210,842	£ 505,744	£ 21,544	£ Nil	£ Nil	£ 915,643	

Of the total expenditure, £604,923 was unrestricted (2015 : £915,643) and £91,000 was restricted (2015: £Nil).

The Centre for Tomorrow's Company
Notes to the financial statements
for the year ended 31 March 2016

6. NET INCOME / (EXPENDITURE) FOR THE YEAR

This is stated after charging / (crediting):

	2016	<i>2015</i>
	£	<i>(as restated)</i>
		£
Depreciation	10,972	12,319
Loss on disposal of fixed assets	2,107	-
Interest payable	63	104
Operating lease rentals:		
Property	19,741	45,750
Other	3,991	5,091
Auditors' remuneration (excluding VAT):		
Statutory audit fee - current period	8,000	7,400
Statutory audit fee - prior period over-accrual	-	<i>(3,565)</i>
	£ 449,979	<i>£ 648,013</i>

7. TRUSTEE REMUNERATION AND EXPENSES

Two of the charity's trustees were paid remuneration or other benefits from an employment with the charity as follows:

Mark Goyder, who is a trustee, the Founder Director and CEO of Tomorrow's Company, received remuneration of £86,000 (2015: £69,536), including contributions of £6,000 (2015: £3,936) to a defined contribution pension scheme, as allowed by the charitable company's articles of association, for his services as Founder Director and CEO. Expenses totalling £2,364 (2015: £Nil) were reimbursed for travel and subsistence costs relating to his role as Founder Director and CEO.

Bobby Reddy, who was appointed as a trustee on 22 January 2016, received payment of £23,100 (2015: £Nil) as allowed by the charitable company's articles of association, for professional consulting services supplied to the charity during the year.

Two of the charity's trustees claimed expenses during the year (2015: none). The total amount of expenses reimbursed was £637 (2015: £Nil) for travel and subsistence costs relating to attendance at meetings of the trustees.

8. ANALYSIS OF STAFF COSTS AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff costs were as follows:

	2016	<i>2015</i>
	£	<i>(as restated)</i>
		£
Wages and salaries	368,620	511,500
Social security costs	38,294	56,829
Employer's contribution to defined contribution pension schemes	19,786	17,160
Other employee benefits and staff costs	23,279	62,524
	£ 449,979	<i>£ 648,013</i>

The Centre for Tomorrow's Company

Notes to the financial statements

for the year ended 31 March 2016

8. ANALYSIS OF STAFF COSTS AND THE COST OF KEY MANAGEMENT PERSONNEL (continued)

The number of employees whose total employee benefits (excluding employer pension costs) amounted to over £60,000 in the year was as follows:

	2016 Number	<i>2015</i> <i>Number</i>
£60,000 - £69,999	1.0	2.0
£70,000 - £79,999	-	1.0
£80,000 - £89,999	1.0	-
£100,000 - £109,999	-	1.0
	<u>1.0</u>	<u>1.0</u>

The key management personnel of the charity comprises the trustees, the Chief Executive Officer, Director of Finance, and Director of Research. The total employee benefits including pension contributions of the key management personnel were £229,380 (2015: £330,081).

9. STAFF NUMBERS

The average monthly head count (number of staff employed) during the year was 11 (2015: 12) and the average number of employees, calculated as full time equivalents and analysed on a functional basis, during the year was as follows:

	2016 Number	<i>2015</i> <i>Number</i>
Raising funds	1.2	1.2
Membership activities	0.8	2.1
Research programmes and communications	3.0	4.8
Advisory services	0.3	0.3
Support costs	2.8	1.7
Governance costs	0.4	0.5
	<u>8.5</u>	<u>10.6</u>

10. RELATED PARTY TRANSACTIONS

Aggregate donations from related parties were £54,500 (2015: £19,000). There were no donations from related parties which were outside the normal course of business and no restricted donations from related parties.

11. 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 2016

12. TANGIBLE FIXED ASSETS

	Website £	Furniture and office equipment £	Computer equipment £	Total £
Cost				
At 1 April 2015	28,756	24,177	28,201	81,134
Disposals	-	(15,656)	(13,599)	(29,255)
At 31 March 2016	<u>28,756</u>	<u>8,521</u>	<u>14,602</u>	<u>51,879</u>
Depreciation				
At 1 April 2015	16,444	19,606	22,526	58,576
Charge for the year	5,751	2,042	3,179	10,972
On disposals	-	(14,062)	(13,086)	(27,148)
At 31 March 2016	<u>22,195</u>	<u>7,586</u>	<u>12,619</u>	<u>42,400</u>
Net book value				
At 31 March 2015	<u>£ 12,312</u>	<u>£ 4,571</u>	<u>£ 5,675</u>	<u>£ 22,558</u>
At 31 March 2016	<u>£ 6,561</u>	<u>£ 935</u>	<u>£ 1,983</u>	<u>£ 9,479</u>

13. INVESTMENT IN SUBSIDIARY UNDERTAKING

The charitable company owns 100% of the ordinary shares of 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. TCEL has net assets of £1.

14. DEBTORS

	2016 £	2015 £
Due within one year		
Trade debtors	76,806	148,447
Other debtors	6,075	4,701
Prepayments	5,547	18,041
	<u>£ 88,428</u>	<u>£ 171,189</u>

The Centre for Tomorrow's Company
Notes to the financial statements
for the year ended 31 March 2016

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	36,796	42,394
Other creditors	12,152	10,266
VAT payable	24,850	39,485
Other taxation and social security	9,511	9,765
Accruals and deferred income	20,412	34,003
	<u>£ 103,721</u>	<u>£ 135,913</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds		Restricted Funds	Total Funds
	Designated Funds	General Funds		
	£	£	£	£
Tangible fixed assets	9,479	-	-	9,479
Investment in subsidiary	-	1	-	1
Net current assets	-	11,128	-	11,128
	<u>£ 9,479</u>	<u>£ 11,129</u>	<u>£ Nil</u>	<u>£ 20,608</u>

17. STATEMENT OF FUNDS

	Brought Forward	Income	Expenditure	Transfers	Carried Forward
	£	£	£	£	£
DESIGNATED FUNDS					
Fixed assets fund	22,558	-	-	(13,079)	9,479
	<u>£ 22,558</u>	<u>£ Nil</u>	<u>£ Nil</u>	<u>£ (13,079)</u>	<u>£ 9,479</u>
RESTRICTED FUNDS					
Futures Project fund	56,000	35,000	(91,000)	-	-
	<u>£ 56,000</u>	<u>£ 35,000</u>	<u>£ (91,000)</u>	<u>£ Nil</u>	<u>£ Nil</u>
SUMMARY OF FUNDS					
Designated funds	22,558	-	-	(13,079)	9,479
General funds	(7,666)	610,639	(604,923)	13,079	11,129
	<u>14,892</u>	<u>610,639</u>	<u>(604,923)</u>	<u>-</u>	<u>20,608</u>
Restricted funds	56,000	35,000	(91,000)	-	-
	<u>£ 70,892</u>	<u>£ 645,639</u>	<u>£ (695,923)</u>	<u>£ Nil</u>	<u>£ 20,608</u>

The Fixed assets fund represents the net book value of the charity's tangible fixed assets.

The Futures Project fund represents amounts received from donors in response to an appeal during the previous year to fund the charity's 'Futures Project'. The costs associated with the project were incurred in 2015-16 and the fund has been fully expended.

The Centre for Tomorrow's Company
Notes to the financial statements
for the year ended 31 March 2016

18. RECONCILIATION OF NET (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016	2015
	£	£
Net (expenditure) for the reporting period (as per the statement of financial activities)	(50,284)	(77,242)
Adjustments for:		
Depreciation charges	10,972	12,321
Interest from investments	(191)	-
Loss on the disposal of fixed assets	2,107	-
Decrease in debtors	82,761	50,039
(Decrease) in creditors	<u>(32,192)</u>	<u>(7,985)</u>
Net cash provided by (used in) operating activities	<u>£ 13,173</u>	<u>£ (22,867)</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash at bank and in hand	<u>26,421</u>	<u>13,057</u>
	<u>£ 26,421</u>	<u>£ 13,057</u>

20. OPERATING LEASE COMMITMENTS

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Office Equipment	
	2016	2015	2016	2015
	£	£	£	£
Operating leases which expire:				
within one year	-	-	7,303	-
within two to five years	-	209,688	-	11,307
	<u>£ Nil</u>	<u>£ 209,688</u>	<u>£ 7,303</u>	<u>£ 11,307</u>

21. LEGAL STATUS OF THE CHARITY

The charity is a private company limited by guarantee and consequently 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.

The Centre for Tomorrow's Company
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22. IMPACT OF TRANSITION TO FRS 102 AND SORP 2015

Reserves position:	Unrestricted Funds as at 1 April 2015 £	Restricted Funds as at 1 April 2015 £	Total Funds as at 1 April 2015 £	<i>Unrestricted Funds as at 1 April 2014 £</i>	<i>Restricted Funds as at 1 April 2014 £</i>	<i>Total Funds as at 1 April 2014 £</i>
Funds previously reported	40,040	56,000	96,040	169,153	-	169,153
Adjustments on transition						
Holiday pay provision	(25,148)	-	(25,148)	(21,019)	-	(21,019)
Funds restated on transition	14,892	56,000	70,892	148,134	-	148,134
Impact on income and expenditure:	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £			
Net (expenditure) / income as previously reported	(129,113)	56,000	(73,113)			
Adjustments on transition						
Holiday pay provision	(4,129)	-	(4,129)			
Net (expenditure) / income as restated	(133,242)	56,000	(77,242)			