

Business in the Community

Directors' Report and
Financial Statements
for the financial year ended
31 December 2016

BUSINESS IN THE COMMUNITY

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

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BUSINESS IN THE COMMUNITY

DIRECTORS AND OTHER INFORMATION

BOARD OF DIRECTORS

Ronan Murphy (Chairperson)
Siobhan Masterson
Richard George
Bernie Gray
Kyran Johnson
Aengus McClean
Aileen O'Toole
Maurice Pratt
George O'Connor
John Reynolds
Carmel McQuaid
Chris Martin

CHIEF EXECUTIVE OFFICER

Tina Roche

SECRETARY AND REGISTERED OFFICE

Moira Horgan
29 Earlsfort Terrace
Dublin 2

PRINCIPAL OFFICE

32 Lower O'Connell Street
Dublin 1

CHARITY REGISTERED NUMBER

CHY 13968

COMPANY REGISTERED NUMBER

338442

CHARITIES REGULATOR NUMBER

20044893

AUDITORS

Deloitte
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

SOLICITORS

A&L Goodbody
IFSC
North Wall Quay
Dublin 1

McCann Fitzgerald
Riverside One
Sir John Rogerson's Quay
Dublin 2

BANK

Bank of Ireland
Lower Baggot Street
Dublin 2

Allied Irish Banks plc
Bankcentre
Ballsbridge
Dublin 4

BUSINESS IN THE COMMUNITY

DIRECTORS' REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT GOVERNING DOCUMENT

Business in the Community is a company limited by guarantee, not having share capital, governed by its Memorandum and Articles of Association dated 11 October 2016. The company is registered as a charity with the Revenue Commissioners. There are currently 7 company members (9 in 2015), each of whom has agreed to contribute €1.27 in the event of the charity winding up. The board of Business in the Community complies with the Governance Code for community, voluntary and charitable organisations in Ireland unless stated in the relevant note. This was based on an assessment of the organisational practice against the recommended actions for each principle and any identified issues addressed.

The five principles of the Governance Code are:

1. Leading Our Organisation
2. Exercising Control over our Organisation
3. Being Transparent and Accountable
4. Working Effectively
5. Behaving with Integrity

RELATED PARTIES

The company is a fully owned subsidiary of the Foundation for Investing in Communities, itself a registered charity, by virtue of the Foundation for Investing in Communities being the ultimate controlling party of the charity. The Community Foundation for Ireland is a fellow wholly controlled subsidiary of the Foundation for Investing in Communities and is also a registered charity, operating from the same premises.

APPOINTMENT OF DIRECTORS

The Foundation for Investing in Communities shall nominate the directors. Each director may serve only two three year terms but may be elected for a subsequent term, subject to the written consent of all of the other directors. When considering co-opting directors, the board has regard to the requirement for any specialist skills needed.

DIRECTORS' INDUCTION AND TRAINING

New directors undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other directors.

ORGANISATION

The board of directors, which must have a minimum of 4 directors, administers the charity. The board meets at least 4 times per annum. There were 5 meetings in 2016 (2015: 6) at which there was a 67% attendance (2015: 65%). Business in the Community shows the cumulative attendance figure by directors rather than individual directors as BITC believes this impinges on the privacy of individual volunteer directors, without providing significantly enhanced information. There are no emoluments, including travel expense, paid to directors

There is a Finance, Audit, Investment and Governance sub-committee which meets in addition to the board. The sub-committee met 4 times in 2016 (2015: 5) with 94% attendance (2015: 100%). The sub-committee has the absolute discretion and authority to consider any financial, investment, audit and governance activity and any other activity at the request of the board.

A Chief Executive is appointed by the directors to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the directors, for operational matters such as fund & donor development and grant programme management.

BUSINESS IN THE COMMUNITY

DIRECTORS' REPORT (CONTINUED)

RISK MANAGEMENT

The directors developed a risk management strategy which comprises:

- a risk register to assess the likelihood and potential impact of those risks and to identify the principal risks;
- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the review; and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

OBJECTIVES AND ACTIVITIES

The objectives of Business in the Community include:

1. Assisting companies, large and small, to engage in corporate social responsibility and sustainability
2. Helping organisations to measure, report and communicate on corporate social responsibility and sustainability
3. Running The Business Working Responsibly Mark, its NSAI audited standard based on ISO 26000
4. Operating innovative social inclusion programmes under Business Action on Education and Employment

Business in the Community Ireland (BITCI) is the network for responsible business. Founded in 2000 we are the only business network of its kind in Ireland. Our vision for what we do is simple. It is to have all businesses in Ireland responsible and sustainable.

From providing bespoke advice to some of the most progressive multinational and indigenous companies to helping smaller enterprises navigate and understand sustainability and CSR, we are the trusted advisers on responsible business practices in Ireland.

When we were established, sustainability and CSR were based on corporate giving and engagement with charities and causes. Today, through our work with hundreds of companies, sustainability and CSR are now accepted as covering all areas of the business. From employee engagement to supply chain and procurement to climate change and human rights, at its heart sustainability and CSR are about a company being trustworthy and having a solid reputation.

BITCI also works with hundreds of companies nationwide through its innovative social inclusion programmes. These programmes focus on two key themes; employability of marginalised groups and business support for education.

The strategies employed by Business in the Community to achieve the objectives are to:

- Offer specialist advice and guidance to companies on corporate social responsibility (CSR) and sustainability;
- Provide networking opportunities for companies to share and learn best practice;
- Publish best practice from all sectors of Irish business;
- Operate The Business Working Responsibly Mark and offer tools to reach that standard;
- Encourage and inspire companies to embed best practice across all of their activities;
- Engage companies in our social inclusion programmes targeting education and employment;
- Keep members and other stakeholders, such as the government, informed on CSR and sustainability issues in the workplace, marketplace, community and the environment
- Bring together on our board some of the leaders on corporate social responsibility and sustainability

BUSINESS IN THE COMMUNITY

DIRECTORS' REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE

During 2016, Business in the Community (BITC) had the following impacts:

Our Membership Services

- At the end of 2016 we had 82 members; we gained 13 new members, and 7 members exited.
- Critically during this period we managed to transition most of our members to the new membership structure, and attained a retention rate of approx. 90%.
- We engaged in nearly 350 meetings to support our members services, delivered 155 projects to members.
- We delivered 32 events, engaging with over 500 business representatives.
- A key achievement was 14 companies attaining certification to the Business Working Responsibly Mark.
- The Leader stream was developed and this new platform to address sustainability challenges was validated via four CEO level Roundtables.
- We continued to offer a variety of tools for small and medium sized enterprises comprising a dedicated section on our website (www.bitc.ie/smes) with free advice and case studies, a paid for Responsible Business Check-up and training curriculum and access to our Business Action on Education and Employment programmes.
- As part of our service development, during the financial year we expanded our service offering in regard to biodiversity, the Sustainable Development Goals and Human Rights.
- The Business Impact Map was revised during the financial year and launched in March 2016. By year end 55 members had data included, showing impacts of over 7,000 community connections, 210,000 volunteer hours, and €22 million in donations.
- In October, we hosted our annual CEO Forum in Dublin Castle with over 200 business leaders in attendance, and addressed by world famous economist Professor Jeffrey Sachs.
- With regard to external stakeholders, we maintained our working relationships with the National Standards Authority of Ireland, CSR Europe, the World Business Council for Sustainable Development, National CSR Stakeholder Forum, and the Code of Practice for Good Governance of Community, Voluntary and Charitable Organisations in Ireland

Business Action on Education

- Time to Read programme partners businesses with primary schools to provide reading support. At the end of 2016, we had 40 businesses involved.
- We piloted a numeracy support initiative in 4 schools in Dublin with ESB, IBM, Ulster Bank and KPMG. A decision on rollout will be made in 2017.
- In our post primary programmes, we had an improved retention rate of our participating businesses from 95% in 2015 to 96% in 2016.
- 339 partnerships between businesses and post primary schools have been established since we commenced in 2001.
- 31 of those partnerships have passed their 10 year milestone mark with 10 more due to reach this milestone in 2017.
- Our main programme Skills at Work had 3,578 students participate during the financial year bringing our reach to date to 36, 474 students.
- Our mentoring programme supported 192 students at the end of 2016 and has provided significant support to 3, 315 to date.
- Time to Read had 475 volunteers participating at the end of 2016 and 465 children with 1, 412 children having been impacted to date.

BUSINESS IN THE COMMUNITY

DIRECTORS' REPORT (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

- Almost 1,000 principals and deputy principals have received leadership and management insights and training delivered by business executives nationally via our Management Excellence for Principals & Deputy Principals programmes.
- In 2016 we facilitated supports in Donegal, Cork, Limerick, Clare, Kerry and Dublin. Business execs and trainers have also provided professional training and development to 3, 132 teachers in Ireland over 130 Management Excellence for Teachers sessions.
- The STEM agenda has been supported by BITCI providing the latest insight into careers, skills and knowledge. In 2016 we hosted two Seeing is Believing events for teachers and guidance counsellor from Galway and Clare at BAM (Galway site) and for the North East of Ireland at IBM in Ballycoolin. BITCI sits on the Advisory Group of Smart Futures.

Business Action on Education Funders

Tusla is our main Government funding stream which provides financial support to the student programmes Skills @ Work and Mentoring. We received €207,299 from Tusla for 2016 supports. Marks & Spencer Ireland is our lead sponsor and they funded us €38,092 for 2016 and they have provided this financial support since 2001. Cornmarket have sponsored our Management Excellence for Principals programme since 2009 and they provided us with €20,000 in 2016. ESB concluded their national partnership of Time to Read in 2016 at the end of the 3 year agreement. They provided us with a once off additional funding of €14,000 in December 2016 to assist us meet the 2016 total costs of Time to Read. In December 2016, we received news from an Anonymous Donor with the Community Foundation for Ireland that they would fund us for the next three years.

Business in the Community Business Action on Employment

- 408 clients engaged with our programmes EPIC and Ready for Work. EPIC works with immigrants and Ready for Work works with marginalised people.
- 204 clients entered employment in 2016
- 89 people entered training and 78 work placements were provided
- In our EPIC programme, 58 nationalities engaged with the programme
- 22 member companies of BITCI worked with the programmes and a further 24 non-member companies were engaged
- We piloted Career LEAP (Local Employment Action Partnership) in 2016 in Dublin's North East Inner City, to support a group of young hard to reach individuals with multiple barriers to employment. 18 young people engaged with the training.

Business Action on Employment Funders

Our Employment Programmes are mainly funded by government. In 2016 we had two funding streams: The EPIC programme was funded by the Department of Justice and The Ready for Work Programme by The Department of Social Protection. Additionally, Marks and Spencer Ireland are a long term supporter to Ready for Work. Our programmes also receive some funds from grant making bodies and corporate foundations in 2016.

FINANCIAL REVIEW

Significant activity in excess of income received in 2016, resulted in a surplus on SOFA accounts of €191,885 in 2016, (2015: deficit (€121,970)). The board are pleased to note the management accounts show Business in The Community has returned to surplus, through increased membership and ongoing cost reductions.

The principal funding sources, were business members who support the aim to inspire, engage, support and challenge companies to make a positive impact on the workplace, marketplace, community and the environment. The principal funders for the programmes operated by Business in the Community, in the areas of Employment and Education were the Department of Justice, Equality and Law Reform, European Social Funds, the Department of Education and Youth Affairs, The Department of Social Protection and corporate donors.

BUSINESS IN THE COMMUNITY

DIRECTORS' REPORT (CONTINUED)

INVESTMENT POWERS AND POLICY

The directors, having regard to the liquidity requirements of operating Business in the Community, the Business Action on Employment and Business Action on Education activities and to the reserves policy, have operated a strategy of keeping available funds in an interest bearing deposit account and seek to achieve a rate of deposit interest which matches or exceeds inflation, as measured by the retail prices index.

PLANS FOR FUTURE PERIODS

Embedding the new membership streams of Engage, Strategist and Leader will continue during 2017. The critical focus areas will be defining and mobilising members within the Leader stream, together with ensuring that Engage offering remains relevant to the market place. We will issue version four of the Business Working Responsibly Mark. In addition we will look at our regional approach ensuring that our national presence is built on.

GOING CONCERN

The directors of the company have a reasonable expectation that the company has the access to adequate resources from its parent company to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

DIRECTORS

The directors, who served at any time during the financial period except as noted, were as follows:

Directors:

Kieran McGowan (resigned the chair and as director on 7 March 2017)

Mary-Rose Burke (resigned on 7 March 2017)

Richard George

Bernie Gray

Kyran Johnson

Aengus McClean

Aileen O'Toole

Maurice Pratt

George O'Connor

John Reynolds

Carmel McQuaid (appointed 16/12/2016)

Chris Martin (appointed 7/4/16)

Padraig McManus (resigned 5/10/2016)

Michael Crothers (resigned 5/10/2016)

Ronan Murphy (Chairperson) (appointed on 7 March 2017)

Slobhan Masterson (appointed as chair and director on 7 March 2017)

APPROVAL OF REDUCED DISCLOSURES

The company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The company's parent company have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The company also intends to take advantage of these exemptions in the financial statements to be issued in the following financial year. Objections may be served on the company by The Foundation for Investing in Communities, as the parent of the entity.

BUSINESS IN THE COMMUNITY

DIRECTORS' REPORT (CONTINUED)

ACCOUNTING RECORDS

The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's office at 32 Lower O'Connell Street, Dublin 1.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

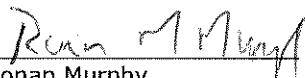
- (i) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (ii) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

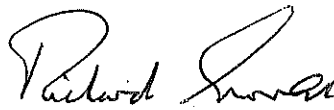
This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

AUDITORS

The auditors, Deloitte, Chartered Accountants and Statutory Audit Firm, continue in office in accordance with Section 383(2) of the Companies Act, 2014.

Signed on behalf of the Board;


Ronan Murphy
Director


Richard George
Director

Date: 12/10/17

BUSINESS IN THE COMMUNITY

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUSINESS IN THE COMMUNITY LIMITED

We have audited the financial statements of Business in the Community for the financial year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 19. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework").

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 (Irish law) and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Financial Statements for the year ended 31 December 2016 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 misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework; and in particular with the requirements of the Companies Act 2014.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUSINESS IN THE COMMUNITY LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Margarita Martin

Margarita Martin
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm
Dublin

Date: *31 October 2017*

BUSINESS IN THE COMMUNITY

**STATEMENT OF FINANCIAL ACTIVITIES (Including Income & Expenditure Account)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

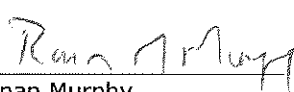
	Notes	Unrestricted Funds €	Designated Funds €	Restricted Funds €	Total 2016 €	Unrestricted Funds €	Designated Funds €	Restricted Funds €	Total 2015 €
Income from:									
Donations and legacies	4	1,243,106	1,800	1,424,187	2,669,093	990,240	-	1,207,209	2,197,449
Charitable activities	4	-	-	-	-	-	-	-	-
Investments	4	5,592	-	-	5,592	3,793	-	-	3,793
Total income	15	1,248,698	1,800	1,424,187	2,674,685	994,033	-	1,207,209	2,201,242
Resources expended									
Raising funds	5	(171,940)	-	-	(171,940)	(178,141)	-	-	(178,141)
Charitable activities	5	(647,992)	(10,446)	(1,367,282)	(2,025,720)	(564,082)	(2,230)	(1,294,720)	(1,861,032)
Other	5	(285,140)	-	-	(285,140)	(284,039)	-	-	(284,039)
Total resources expended	15 9	(1,105,072)	(10,446)	(1,367,282)	(2,482,800)	(1,026,262)	(2,230)	(1,294,720)	(2,323,212)
Taxation		-	-	-	-	-	-	-	-
Net (expenditure)/income		143,626	(8,646)	56,905	191,885	(32,229)	(2,230)	(87,511)	(121,970)
Net transfer between funds		(66,694)	76,875	(10,181)	-	(76,163)	75,663	500	-
Net movement in funds		76,932	68,229	46,724	191,885	(108,392)	73,433	(87,011)	(121,970)
Total funds brought forward	15	1,019,537	184,233	606,355	1,810,125	1,127,929	110,800	693,366	1,932,095
Total funds carried forward		1,096,469	252,462	653,079	2,002,010	1,019,537	184,233	606,355	1,810,125

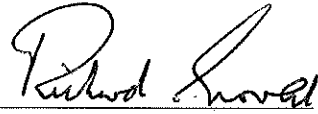
BUSINESS IN THE COMMUNITY

**BALANCE SHEET
AS AT 31 DECEMBER 2016**

	<i>Notes</i>	2016 €	2015 €
FIXED ASSETS			
Tangible fixed assets	<i>11</i>	47,340	20,873
CURRENT ASSETS			
Debtors and prepayments	<i>12</i>	1,266	
Due from/(to) group companies		-	91,144
Cash at bank		2,150,056	1,795,618
		2,151,322	1,886,762
CREDITORS AND ACCRUALS: (amounts falling due within one year)			
	<i>13</i>	(196,652)	(97,510)
NET CURRENT ASSETS		1,954,670	1,789,252
NET ASSETS		2,002,010	1,810,125
FUNDS OF THE CHARITY:			
Unrestricted funds	<i>15a</i>	1,096,469	1,019,537
Designated funds	<i>15b</i>	252,462	184,233
Restricted funds	<i>15c</i>	653,079	606,355
TOTAL FUNDS		2,002,010	1,810,125

The financial statements were approved by the Board of Directors on 12/10/17 and signed on its behalf by:


 Ronan Murphy
 Director


 Richard George
 Director

BUSINESS IN THE COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

General information and format of financial statements

Business in the Community is a company incorporated in Ireland under the Companies Act 2014 as a company limited by guarantee and is a registered charity. The address of its registered office is detailed on page 2. The nature of the company's operations and its principal activities are set out in the directors' report on pages 3 to 8. In prior financial years, company law scoped out companies not trading for gain for the members from the requirements with regard to format and content of financial statements which applied to for profit companies thus permitting the adoption of a format appropriate to a charity. Accordingly, the company adopted and reported its performance in accordance with the format provided for in the Charities SORP and in particular reports its performance for the financial year in the format of the SORP's Statement of Financial Activities (SOFA).

The Companies Act 2014 became effective in law on 1 June 2015 and from that date applies the format and content of financial statements requirements appropriate for a company trading for the profit of its members to a company that is a not for profit organisation such as the company.

In order to provide information relevant to understanding the stewardship of the directors and the performance and financial position of the Charity, the company has prepared its financial statements in accordance with the formats provided for in the Charities SORP, consistent with the prior financial year.

Had the Companies format and content of financial statements requirements suitable for a company trading for the profit of its members been presented instead, a profit and loss account with related notes showing items such as Turnover and Cost of Sales would have been reported along with a "profit" on ordinary activities before taxation.

Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements have been in accordance with the Statement of Recommended Practice (SORP 2015) "Accounting and Reporting by Charities", in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), issued by the Financial Reporting Council, and promulgated for use in Ireland by the Institute of Chartered Accountants Ireland, effective 1 January 2015 and the Companies Act 2014. Financial reporting in line with the SORP is considered best practice for charities in Ireland. As noted above, the directors consider the adoption of the SORP requirements is the most appropriate accounting to properly reflect and disclose the activities of the organisation. Financial statements have been prepared on a going concern basis.

In accordance with Section 1180(8) of the Companies Act, 2014, the company is exempt from including the word "Limited" in its name. The company is limited by guarantee and has no share capital.

Disclosure exemptions

As a qualifying entity under the definition in FRS 102 in preparing the separate financial statements of the Company, advantage has been taken of the following disclosure exemptions available in FRS 102: No cash flow statement has been presented for the company.

The company is included in the consolidated financial statements of its ultimate parent company, The Foundation for Investing in Communities which are available from Companies Registration Office, Parnell House, 14 Parnell Square, Dublin 1.

BUSINESS IN THE COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

Going concern

The company's forecasts and projections, taking account of reasonable possible changes in performance, show that the company will be able to operate within the level of its current cash resources. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Incoming resources – voluntary income

Voluntary income including donations and grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

The donor specifies that the grant or donation must only be used in future accounting periods;
The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Incoming resources – charitable income

Income from charitable activities including income received under contract or where entitlement to grant funding is subject to specific performance conditions, is recognised as earned (as the related services are provided). Grant income included in this category provides funding to support programme activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured reliably.

Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these financial statements and does not constitute a substantial part of the charitable activities.

Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods or services are supplied.

Fundraising costs are those costs incurred in attracting voluntary income.

Charitable activities include those costs incurred directly in the delivery of programme services and includes support costs that have been allocated to activity cost centres on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs are those costs incurred in the governance of the charity and its assets and include costs associated with constitutional and statutory requirements.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. As VAT is irrecoverable, it is charged against the category of resources expended for which it was incurred.

BUSINESS IN THE COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets

Individual tangible fixed assets are capitalised at cost and are stated in the balance sheet at cost less accumulated depreciation. Assets are written off in equal annual instalments over their estimated useful lives and in full in the year of disposal.

Office capital	5 years
IT equipment	3 years
Departmental equipment	3 years

Financial Instruments

Financial assets and financial liabilities are recognised when the charitable company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charitable company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charitable company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires. Balances that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Pensions

The company has in place a PRSA scheme as prescribed by legislation. Membership of the scheme is voluntary and employees may join immediately upon recruitment. After six months in employment, the employer makes an additional contribution to the scheme equal to 5% of gross salary for each employee who joins the scheme and makes personal contributions of at least 5% of gross salary. The employer collects the employee contributions and remits the total (Employee + Employer) contribution to the scheme provider within the specified period, on behalf of the employee. The scheme provider is New Ireland Assurance.

BUSINESS IN THE COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (CONTINUED)

Funds Accounting

Funds held by the charity are:

Unrestricted funds - these are funds which can be used in accordance with the charitable objects at the discretion of the Directors.

Designated funds - these are funds which have been set aside for particular purposes by the company itself, in furtherance of the company's charitable objects.

Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Operating Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities (SOFA).

Reserves Policy

The directors have established the level of reserves (that is those funds that are freely available) that the charity ought to provide, as between 9 months and 12 months operational costs, not including programme funding. The directors estimate the operational costs to be €2,206,000 per annum. The reserves may be needed to bridge the gaps between spending on the above mentioned activities and income, should current funding flows discontinue. Business in the Community has unrestricted reserves at 31 December 2016 of €1,096,496 (2015: €1,019,537).

Designated Reserves have been created by the directors for specific activities, with balances remaining at 31 December 2016. Activity continues on the highly successful Business Working Responsibly Mark with €19,868 (2015: €27,800) in reserve at the financial year end. Marketing/Social Media and Document Management had €22,544 available at the financial year end (2015: €25,000). A designated reserve of €100,000 was created by the directors for work on the Business Model with €78,167 remaining at the financial year end. Biodiversity research had a balance of €23,371 at the financial year end (2015: 23,371), SME Campaign €3,925 (2015: €2,125) and STEM research €2,712 (2015: €2,771).

BUSINESS IN THE COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the accounting policies and the notes to the financial statements.

The directors do not consider there are any critical judgements or sources of estimation requiring disclosure.

3. LEGAL STATUS OF THE COMPANY

The company is a company limited by guarantee and not having a share capital. The liability of each member in the event of winding up is limited to €1.27.

4. INCOME

Donations and legacies income

This income which consists of monetary donations from corporates, trusts, charities, government bodies and members of the public together with any related tax refunds, are recognised in the period in which the organisation is entitled to the resources and are recognised when the funds have been received.

Charitable activities income

This income which consists of monetary donations from corporates, trusts, charities, government bodies and members of the public to fund services provided by the organisation and are recognised when the funds have been received.

Investment income

The organisation does not generate investment income at this time other than deposit interest earned on programme funding received in advance. Deposit interest for the financial year amounted to €5,592 (2015: €3,793).

BUSINESS IN THE COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

5. EXPENDITURE

Expenditure is analysed between costs of raising funds, charitable activities and other. The costs are recognised when an obligation exists as a result of an event and a monetary transaction is required to fulfil the obligation. Support costs which cannot be attributed to any of the headings are allocated on a basis consistent with the use of resources.

Costs of raising funds

The costs of raising funds are all costs attributable to fundraising activities both direct and indirectly attributable costs.

Costs of charitable activities

These are the costs that are incurred to deliver the strategies and programmes of the organisation, including both direct and indirect costs. The main component of charitable activities expenditure is the provision of grants from Endowment Income and Donor Advised Funds.

Other costs

Other costs are costs primarily associated with the governance of the organisation and consist predominantly of support costs.

6. STAFF NUMBERS AND COSTS

- (a) The average number of full-time equivalent employees (including casual and part time staff) during the financial year was as follows:

	2016 No	2015 No
Programme		
BITC membership services	12	13
Schools' Business Partnership	8	8
Employment Services	10	11
Shared services (Finance, HR, Marketing & Communications etc.)	8	7
Total full time equivalent	38	39

- (b) No staff member receives retirement benefit.

- (c) Accrued Holiday Time at the 31st December 2016 was €5,789 (2015: €34,700)

BUSINESS IN THE COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

6. STAFF NUMBERS AND COSTS (CONTINUED)

	2016 €	2015 €
(d) Analysis of staff costs		
Salaries and wages	1,681,523	1,600,506
Employer's PRSI contribution	168,144	160,403
Employer's pension costs	29,232	29,160
	<u>1,878,899</u>	<u>1,790,069</u>

The CEO works in The Foundation for Investing in the Communities whose salary is allocated to Business in the Community and sister company The Community Foundation for Ireland. The CEO's total salary and pension entitlement is €115,000 of which €69,000 is allocated to Business in the Community.

The salary bands for staff paid over €40,000 are noted below, including pension entitlement, in the Foundation for Investing in Communities, the holding company for Business in the Community.

Salary Band	2016 No	2015 No
110,000 - 120,000	1	1
70,000 - 80,000	1	1
60,000 - 70,000	2	2
50,000 - 60,000	2	1
40,000 - 50,000	8	1

7. KEY MANAGEMENT COMPENSATION/RENUMERATION

Some members of the Senior Management Team work in two of the group companies (Business in the Community and The Community Foundation for Ireland). The total cumulative amount paid to key management including pension entitlements is €459,615 (2015: €436,000) of which €307,295 (2015: €273,000) is attributable to Business in the Community and €152,320 (2015: €163,000) is attributable to The Community Foundation for Ireland.

The salary bands for salaries of staff, allocated to, Business in the Community, including pension entitlement are noted below.

Salary Band	2016 No	2015 No
60,000 - 70,000	3	2
50,000 - 60,000	-	1

Benefits for all staff, including senior management, comprise entitlements to pension contributions, death in service, discretionary income protection and Employee Assistance Programme.

No staff member receives retirement benefit.

BUSINESS IN THE COMMUNITY

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

8. DIRECTOR REMUNERATION AND RELATED PARTY TRANSACTIONS

No director received remuneration or expenses during the financial year (2015: €Nil). No director had any personal interest in any contract or transaction entered into during the financial year (2015: €Nil).

9. TAXATION

Business in the Community is a registered charity and no provision is considered necessary for taxation.

10. NET (EXPENDITURE) / INCOME

	2016 €	2015 €
The net (expenditure) / income for the financial year is stated after charging:		
Auditors' remuneration	6,000	6,000
Depreciation	35,198	15,855
	<u> </u>	<u> </u>

BUSINESS IN THE COMMUNITY

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

11. TANGIBLE FIXED ASSETS	IT	EPIC	Ready for	School	Membership	Total
	Equipment	Equipment	Work	business	service team	
	€	€	€	partnership	€	€
Cost						
At 1 January 2016	51,145	14,449	1,296	38,289	37,246	142,425
Additions	29,019	-	-	6,916	25,730	61,665
At 31 December 2016	80,164	14,449	1,296	45,205	62,976	204,090
Accumulated depreciation						
At 1 January 2016	(47,637)	(14,449)	(759)	(27,820)	(30,887)	(121,552)
Charge	(11,642)	-	(268)	(10,770)	(12,518)	(35,198)
At 31 December 2016	(59,279)	(14,449)	(1,027)	(38,590)	(43,405)	(156,750)
Carrying value						
At 31 December 2016	20,885	-	269	6,615	19,571	47,340

BUSINESS IN THE COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

11. TANGIBLE FIXED ASSETS (CONTINUED)

In respect of the prior year:

	Office capital	IT Equipment	EPIC Equipment	Bridge to employment	Ready for work	School business partnership	Membership service team	Total
	€	€	€	€	€	€	€	€
Cost								
At 1 January 2015	24,148	97,054	17,192	1,269	2,465	33,862	33,512	209,502
Additions	-	4,617	-	-	-	13,676	9,538	27,831
Disposals	(24,148)	(50,526)	(2,743)	(1,269)	(1,169)	(9,249)	(5,804)	(94,908)
At 31 December 2015	-	51,145	14,449	-	1,296	38,289	37,246	142,425
Depreciation								
At 1 January 2015	(24,148)	(95,632)	(17,192)	(1,269)	(1,928)	(29,637)	(30,799)	(200,605)
Charge	-	(2,531)	-	-	-	(7,432)	(5,892)	(15,855)
Disposals	24,148	50,526	2,743	1,269	1,169	9,249	5,804	94,908
At 31 December 2015	-	(47,637)	(14,449)	-	(759)	(27,820)	(30,887)	(121,552)
Net book value	-	3,508	-	-	537	10,469	6,359	20,873
At 31 December 2015	-	3,508	-	-	537	10,469	6,359	20,873

BUSINESS IN THE COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

12. DEBTORS: (amounts falling due within one year)	2016 €	2015 €
Amounts due from group companies:		
- The Foundation for Investing in Communities	-	54,727
- The Community Foundation for Ireland	1,266	36,417
	<u>1,266</u>	<u>91,144</u>

13. CREDITORS: (amounts falling due within one year)	2016 €	2015 €
Trade creditors	11,245	26,633
Accruals	151,143	70,877
Amounts due to group companies:		
- The Foundation for Investing in Communities	34,264	-
	<u>196,652</u>	<u>97,510</u>

14. FINANCIAL INSTRUMENTS

The carrying value of the group's financial assets and liabilities are summarised by category below:-

	2016 €	2015 €
Financial assets		
<i>Measured at undiscounted amount receivable</i>		
Amounts due to group companies	<u>1,266</u>	-
Financial liabilities		
<i>Measured at undiscounted amount payable</i>		
Trade creditors	11,245	26,633
Accruals	151,143	67,085
Amounts due from group companies	34,264	-
	<u>196,652</u>	<u>97,510</u>

BUSINESS IN THE COMMUNITY

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

15. ANALYSIS OF FUNDS

(a) Analysis of unrestricted fund movements

	Opening balance 1 January 2016 €	Incoming resources €	Resources expended €	Transfers between funds €	Closing balance 31 December 2016 €
	1,019,537	1,248,698	(1,105,072)	(66,694)	1,096,469

(b) Analysis of designated fund movements

	Opening balance 1 January 2016 €	Incoming resources €	Resources expended €	Transfers to/from unrestricted funds €	Closing balance 31 December 2016 €
Business Working					
Responsibly Mark	27,800	-	(7,932)	-	19,868
Business Model	78,167	-	-	-	78,167
Marketing/Social Media	25,000	-	(2,456)	-	22,544
Document Management	25,000	-	-	-	25,000
Biodiversity Research	23,371	-	-	-	23,371
SME Campaign	2,125	1,800	-	-	3,925
Stem Research	2,770	-	(58)	-	2,712
Leave Contribution	-	-	-	51,875	51,875
Accounts system	-	-	-	25,000	25,000
	184,233	1,800	(10,446)	76,875	252,462

BUSINESS IN THE COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

15. ANALYSIS OF FUNDS (CONTINUED)

(c) Analysis of restricted fund movements

	Opening balance 1 January 2016 €	Incoming resources €	Resources expended €	Transfers to/from unrestricted funds €	Closing balance 31 December 2016 €
EPIC programme	11,279	516,000	(462,976)	-	64,303
Epic Mesi project	10,390	-	-	-	10,390
Corporate Leader's Group	432	-	-	-	432
School Business					
Partnership	262,447	473,261	(520,311)	(24,802)	190,595
Ready for Work	34,351	91,000	(136,293)	(6,560)	(17,502)
Youth Employment	-	127,766	(94,979)	(5,000)	27,787
Technology Project	41,325	-	(11,330)	-	29,995
Social Networking	7,325	-	(3,298)	-	4,027
Capacity Building					
Programme	-	27,729	(60,678)	32,949	-
Time to Read	48,767	113,297	(77,417)	(6,768)	77,879
Grant Making Fund	640	-	-	-	640
Bridge to Employment	2,222	-	-	-	2,222
Epic Support Fund	23,754	17,590	-	-	41,344
Employment Programmes	27,301	20,202	-	-	47,503
Deferred BITC					
Offenders Fund	112,323	37,342	-	-	149,665
Genio Trust	2,486	-	-	-	2,486
Deferred Income					
C.E.O event/Conference	21,313	-	-	-	21,313
	<u>606,355</u>	<u>1,424,187</u>	<u>(1,367,282)</u>	<u>(10,181)</u>	<u>653,079</u>

16. FINANCIAL COMMITMENTS

At 31 December the company had annual commitments under a non-cancellable operating lease expiring as follows:

Buildings:	2016 €	2015 €
In one year or less	43,050	43,050
In more than one year, but not more than five years	-	43,050
	<u>43,050</u>	<u>86,100</u>

BUSINESS IN THE COMMUNITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

17. CURRENT FUNDING

TUSLA provided current funding in 2016 to the amount of €207,299 (2015: €207,299). Funding is granted for a 12 month period and paid in accordance with the terms and conditions of the funding agreement.

The Department of Education and Skills provided current funding in 2016 to the amount of €29,826 (2015: €29,826). Funding is granted for a 12 month period and paid in accordance with the terms and conditions of the funding agreement.

The Department of Justice and Law Reform provided current funding in 2016 to the amount of €516,000 (2015: €389,230). Funding is granted for a 12 month period and paid in accordance with the terms and conditions of the funding agreement.

The Department of Social Protection provided current funding in 2016 to the amount of €84,273 (2015: €117,261). Funding is granted for a 12 month period and paid in accordance with the terms and conditions of the funding agreement.

POBAL provided current funding in 2016 to the amount of €27,729 (2015: €55,463). Funding is granted for a 12 month period and paid in accordance with the terms and conditions of the funding agreement.

The City of Dublin Education and training board provided current funds in 2016 to the amount of €94,266 (2015: €Nil)

18. FINANCIAL RISK MANAGEMENT

Currency risk:

Much of the company's costs are denominated in euro and most income is received in euro with a small amount received in foreign currencies. A strengthening of a local currency against the euro could have an adverse effect on the company's ability to deliver its planned programme of work. These currency risks are monitored on an ongoing basis.

Cash flow risk:

Business in the Community hold a number of bank accounts deposited in a number of different financial institutions ensuring the security of our funds and also endeavouring to maximise the return available. The company's activities expose it primarily to the financial risks of changes in interest rates. Interest bearing assets are held at fixed rates to ensure certainty of cash flows.

Credit risk:

The company's principal financial assets are bank balances and cash. The credit risk on cash at bank is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The organisation has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

19. ULTIMATE CONTROLLING PARTY

The charity's ultimate parent controlling party is The Foundation for Investing in Communities which is an Irish registered charity CHY 13966, incorporated in Ireland, Company Number: 296139, Charities Registration Number: 20044879.