Business in the Community Ireland

Directors' Report and Financial Statements for the financial year ended 31 December 2020

COMPANY REGISTERED NUMBER 338442

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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DIRECTORS AND OTHER INFORMATION

BOARD OF DIRECTORS	Ronan Murphy (Chairperson) Leisha Daly Richard George Tony Hanway Chris Martin Siobhán Masterson Dave Murphy George O'Connor John Reynolds Margot Slattery Mark Foley (Appointed 25th September 2020)
CHIEF EXECUTIVE OFFICER	Tomás Sercovich
SECRETARY AND REGISTERED OFFICE	Caitríona MacAonghusa 29 Earlsfort Terrace Dublin 2
PRINCIPAL OFFICE	3rd Floor Phibsborough Tower Phibsborough Road, Dublin 7 D07 XH2D
CHARITY REGISTERED NUMBER	CHY 13968
COMPANY REGISTERED NUMBER	338442
CHARITIES REGULATOR NUMBER	20044893
INDEPENDENT AUDITORS	Deloitte Ireland LLP 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
BANKERS	Bank of Ireland Lower Baggot Street Dublin 2 Allied Irish Banks plc Bankcentre Ballsbridge Dublin 4

DIRECTORS' REPORT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Business in the Community Ireland (BITCI) is a company limited by guarantee, not having share capital, governed by its Constitution dated 11 October 2016. The company is registered as a charity with the Revenue Commissioners and Charity Regulator. There are currently 8 company members (8 in 2019), each of whom has agreed to contribute €1.27 in the event of the charity winding up. The board of Business in the Community Ireland complies with the Governance Code for Community, Voluntary and Charitable Organisations in Ireland. This was based on an assessment of the organisational practice against the recommended actions for each principle and any identified issues addressed. Review of the Governance Code is currently underway to comply with the 6 principles of the Charities Governance Code as laid out by the Charity Regulator in Ireland. Business in the Community Ireland will be complying with the Governance Code at the next Annual Return Date.

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

The company is a wholly controlled 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 with 100% holding. The Community Foundation for Ireland is a fellow 100% wholly controlled subsidiary of the Foundation for Investing in Communities and is also a registered charity, operating from the same premises in Phibsborough, and also a related party of Business in the Community Ireland.

OBJECTIVES AND ACTIVITIES

Founded in 2000, Business in the Community Ireland is a movement for sustainable change in business. Our purpose is to inspire and enable businesses to bring about a sustainable, low carbon economy and a more inclusive society where everyone thrives.

The objectives of Business in the Community Ireland are:

1. Assist companies to engage in corporate responsibility and sustainability;
2. Help organisations to measure, report and communicate on corporate responsibility and sustainability;
3. Run The Business Working Responsibly Mark, its NSAI (National Standards Authority of Ireland) audited standard based on ISO 26000; and
4. Operate innovative social inclusion programmes.

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

- Offer specialist advice and guidance to companies on corporate responsibility and sustainability;
- Provide networking opportunities for companies to share and learn best practice;
- Leverage our CEO-led platform, "The Leaders' Group on Sustainability", to drive collective action;
- 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; and
- Engage members and other stakeholders, such as the government, on sustainability issues.

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

DIRECTORS

The Foundation for Investing in Communities shall nominate the directors. Initial appointment is for a three-year term, as recommended by the Chair for approval. A director can be reappointed for a second three-year term as per the Chairs' recommendation to the board. A director may be re-appointed for a third three-year term, if it is agreed by all of the directors. In exceptional circumstances, agreed by all of the directors, a director may remain on the Board having completed three, three-year terms for an additional maximum one year term.

When considering co-opting directors, the board has regard to the requirement for any specialist skills needed as well as a broad diversity of thought and backgrounds.

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 Constitution, 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.

The directors and secretary, who served at any time during 2020 except as noted, were as follows:

Secretary
Caitríona MacAonghusa

Directors:
Ronan Murphy (Chairperson)
Leisha Daly
Richard George
Tony Hanway
Bernadette Lavery (Resigned 23 February 2021)
Chris Martin
Siobhán Masterson
Dave Murphy
George O'Connor
John Reynolds
Margot Slattery
Mark Foley (Appointed 25th September 2020)

ORGANISATION

The board of directors, which must have a minimum of 4 directors, oversee the operation of the company. The board meets at least 4 times per annum. There were 7 meetings in 2020 (2019: 5) at which there was an average of 90% attendance (2019: 82%). Business in the Community Ireland shows the cumulative attendance figure by directors rather than individual directors as the organisation believes this impinges on the privacy of individual volunteer directors, without providing significantly enhanced information. There are no emoluments, including travel expenses, paid to directors.

There is a Finance, Audit, Investment and Governance committee which meets in addition to the Board. The committee met 8 times in 2020 (2019: 4) with 98% attendance (2019: 80%). The 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. In September 2020, a Nominations Committee was set-up, who met 4 times and that it has been tasked with supporting the Board in defining a Director recruitment process and carrying out a skills and diversity assessment exercise for future Board appointments.

A Chief Executive is appointed by the directors to manage the day-to-day operations of the company. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the directors, for operational matters.

FINANCIAL REVIEW

The net movement of funds in 2020 shows a deficit of €254,167, (2019: surplus €237,724). This deficit arises due to timing differences between the recognition of programme income and associated programme costs. The Charities SORP provides that income should be recognised when an entity becomes entitled to that income, it is probable that the income will flow to the entity and when it can be measured reliably.

In relation to the EPIC Programme, 90% of a 4 year funding was received over the first three years of the programme contributing to a surplus in prior years. Programme costs continued to be incurred and recognised over the four-year period of the programme giving rise to a deficit in the current year. The remaining 10% of the funding is to be drawdown on completion of the programme as per the funding agreement.

The board is satisfied that this deficit is derived from timing differences and that does not adversely impact the organisation's financial health.

Plans for future years

Embedding the membership and its engagement will continue during 2020 and 2021. The critical focus areas will be defining and mobilising members within the Leader stream, together with ensuring that the activities remain relevant to member needs. 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 company's forecasts and projections, taking account of reasonable possible changes in performance, results for the year and approved budgets for a period not less than twelve months from the date of signing the financial statements, 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. They continue to adopt the going concern basis of accounting in preparing the annual financial statements. The COVID–19 pandemic has had no impact on the directors' assessment of the going concern of the company.

RISK MANAGEMENT

The directors developed a risk management strategy which comprises:

- Risk Register, to assess the likelihood and potential impact of those risks and to identify the principal risks;
- Annual review of the risks the charity may face;
- Establishment of systems and procedures to mitigate those risks identified in the review; and
- Implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

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. Fluctuations in the value of 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.

ACHIEVEMENTS AND PERFORMANCE

During 2020, Business in the Community Ireland had the following impacts:

Membership Services

- Having started the year with 96 members, we ended 2020 with 101 members (net growth of 5).
- The annual retention rate was 95%.
- We achieved a Net Promoter Score of 69 with our members.
- We worked with members across our three services areas, delivering projects on integrating sustainability strategy (with 70% of members), social inclusion & impact (with 80% of members), and low carbon (55% of our members).
- We hosted over 30 virtual events for our members, discussing issues such as circular economy, virtual volunteering, biodiversity, measuring sustainability, apprenticeships, communications.
- By year end, there were 40 companies certified to the Business Working Responsibly Mark, and we had trialled a new process within the standard.
- Our Leaders' Group on Sustainability increased to 30 members, and we hosted three CEO Roundtables, four coordinator briefings and operated three advisory sub-groups to support programme delivery.
- We published our second Low Carbon Report in partnership with PwC in June, with 58 companies participating in our Low Carbon Pledge.
- Building on our Inclusive Employer Blueprint, we designed a new strategic proposal to support our social inclusion work and this proposal was approved by the Leaders' Group and entered design phase.
- We maintained active relationships with key stakeholders such as NSAI, CSR Europe, World Business Council for Sustainable Development and various government departments.

Business Action on Education

- At the start of 2020, 57 businesses were delivering Time to Read or Time to Count programmes to 57 primary schools nationwide. However, by the end of the year due to the impact of Covid the number had fallen to 46 partnerships.
- The Time to Count external evaluation being conducted by DCU continued up until the school closures in March. It will recommence in Autumn 2021.
- 90% business retention was achieved in post primary programmes (down from 92% in 2019) which was a very strong outcome given the impact of the pandemic on the business sector.
- 14 new businesses joined in 2020, 406 partnerships between companies and post primary schools have been established since inception in 2001. The organisation celebrated the 400th partnership milestone.
- We moved the Skills @ Work Programme from third year to second year students, following a successful pilot and the strong evidence from research bodies like ESRI, OECD and the Educational Research Centre in Drumcondra that insight to the world of work needs to be brought to a younger audience and we held webinars to communicate the rationale to school leaders and business leaders.
- 3,652 students took part in the Skills @ Work programme
- Basis.point have continued their generous funding to expand the Student Mentoring programme and it is currently being delivered to 21 schools.
- 1,219 (1,131 in 2019) principals and deputy principals have participated to date in the Management Excellence for Principals & Deputy Principals programmes.
- 17 Management Excellence for Teachers sessions took place which completed the 2019/20 programme plan. This area of work is funded by the Teacher Education Section of the Department of Education & Skills programme and the funding had been received in 2019. No monies were received in 2020.

Business Action on Education Funders

- €247,299 (2019: €207,299) was received from Tusla (restricted funding) for our post primary student programmes. This was an increase of 19%.
- €20,000 (2019: €20,000) was provided from Cornmarket to sponsor the Management Excellence for Principals programme.
- €20,000 (2019: €25,000) was received from the Department of Education & Skills from Dormant Account Funding for Time to Count expansion as year 2 of a two-year funding totally €50,000.
- €24,000 (2019: €4,500) was received from Basis.point (restricted funding) to fund the expansion of the Student Mentoring Programme as year 1 of a new 2-year agreement.

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Business Action on Employment

The main initiatives under this programme are:

- Employment of People from Immigrant Communities (**EPIC**) works with migrants to equip them to gain and sustain employment or training;
- **Ready for Work** is an EmployAbility service that support jobseekers with a health issue or disability to gain and sustain employment;
- Refugee Integration, Skills and Employability (**RISE**) works with recently arrived refugees mainly from Syria and asylum seekers with the right to work (ended May 2020);
- **Women@Work** supports women who are distanced from the workplace (i.e., not in work, training or on a jobseeker payment) to gain and sustain employment, training, or other positive progress towards employment;
- **SSE Works** is a supported employment programme for the long term unemployed by SSE Airtricity (on hold during 2020 due to Covid restrictions);
- **Get Ready** supports people living in homeless accommodation to increase their employability skills and understanding of the workplace (on hold during 2020 due to Covid restrictions).

During 2020:

- 256 (2019:325) clients engaged in availing of our services (capacity reduced in 2020 due to Covid-19 restrictions);
- 98 (2019:199) clients entered employment;
- 61 (2019:59) people undertook training, volunteering, or work placements (excluding Ready for Work placements);
- 29 (2019:32) nationalities engaged through the EPIC programme;
- 20 (2019:24) member companies worked with the programmes and a further 20 (2019:31) non-member companies were engaged.

Business Action on Employment Funders

The core Employment Programmes are mainly funded by government.

- Four years funding for the EPIC programme under the European Social Fund Programme for Employment, Inclusion and Learning, managed by The Department of Justice was achieved starting 1 April 2017. Funding management moved in 2020 to the Department of Children, Equality, Disability, Integration and Youth. Current funding ends in June 2021.
- Partial funding for the RISE programme for 3 years starting 1 June 2017 under the National Fund to promote the Integration of Migrants, also managed by the Department of Justice was also achieved. Funding ended May 2020.
- The Ready for Work Programme received continued funding from The Department of Employment Affairs and Social Protection.
- The Women@Work programme receives funding under the European Social Fund Programme for Gender Equality for 3 years, starting December 2019. Funding management moved in 2020 to the Department of Children, Equality, Disability, Integration and Youth.
- Marks and Spencer Ireland continued its long-term commitment to contribute financially for work placement provision.

APPROVAL OF REDUCED DISCLOSURES

The company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. Objections may be served on the company by The Foundation for Investing in Communities, as the parent of the entity.

POST BALANCE SHEET EVENT

There have been no events subsequent to the year-end that require any adjustment to, or additional disclosure in the 2020 financial statements.

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, 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 business office at 3rd Floor, Phibsborough Tower, Phibsborough Road, Dublin 7, D07 XH2D.

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/she ought to have taken as a Director in order to make himself/herself 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 Ireland LLP, 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

John Reynolds
Director

Date: 9th August 2021

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 issued by the Financial Reporting Council* ("relevant financial reporting framework") and with the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102 ("the Charities SORP"). 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.

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

Independent auditor's report to the members of Business in the Community Ireland

Report on the audit of the financial statements

Opinion on the financial statements of Business in the Community Ireland (the 'company')

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2020 and of its outgoing resources and application of resources, including the income and expenditure account by 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.

The financial statements we have audited comprise:

- Statement of Financial Activities (including Income and Expenditure account);
- Balance Sheet; and
- the related notes 1 to 19, including a summary of significant accounting policies as set out in note 1.

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" ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Directors' Report and Financial Statements for the financial year ended 31 December 2020, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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Independent auditor's report to the members of Business in the Community Ireland

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.

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Independent auditor's report to the members of Business in the Community Ireland

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- 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 and the directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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.

Use of our report

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Marguarita Martin

Marguarita Martin
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

Date: 24 August 2021

STATEMENT OF FINANCIAL ACTIVITIES (Including Income & Expenditure Account)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Notes	**Unrestricted Funds**	**Designated Funds**	**Restricted Funds**	**Total 2020**	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2019
Income from:		**€**	**€**	**€**	**€**	€	€	€	€
Donations and legacies	*4*	**1,673,699**	**-**	**982,631**	**2,656,330**	1,424,586	-	1,543,693	2,968,279
Total		**1,673,699**	**-**	**982,631**	**2,656,330**	1,424,586	-	1,543,693	2,968,279
Total Expenditure on:							-	-	
Raising funds	*5*	**(250,097)**			**(250,097)**	(224,059)			(224,059)
Charitable activities	*5*	**(663,190)**	**(60,445)**	**(1,470,194)**	**(2,193,829)**	(678,507)	(42,500)	(1,405,080)	(2,126,087)
Other	*5*	**(466,571)**	**-**	**-**	**(466,571)**	(380,409)	-	-	(380,409)
Total		**(1,379,858)**	**(60,445)**	**(1,470,194)**	**(2,910,497)**	(1,282,975)	(42,500)	(1,405,080)	(2,730,555)
Taxation	*9*	**-**	**-**	**-**	**-**	-	-	-	-
Net (Deficit)/income		**293,841**	**(60,445)**	**(487,563)**	**(254,167)**	141,611	(42,500)	138,613	237,724
Net Transfer between funds	*15*	**(49,025)**	**8,525**	**40,500**	**-**	(11,855)	42,626	(30,771)	-
Net movement in funds		**244,816**	**(51,920)**	**(447,063)**	**(254,167)**	129,756	126	107,842	237,724
Total funds brought forward	*15*	**1,233,279**	**564,912**	**1,294,757**	**3,092,948**	1,103,523	564,786	1,186,915	2,855,224
Total funds carried forward	*15*	**1,478,095**	**512,992**	**847,694**	**2,838,781**	1,233,279	564,912	1,294,757	3,092,948

There are no other recognised gains or losses other than those included in the net income for the financial year. All income and expenditure derive from continuing activities.

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Notes	**2020**	2019
		€	€
FIXED ASSETS			
Tangible fixed assets	*11*	**119,123**	168,848
CURRENT ASSETS			
Debtors: (amounts falling due within one year)	*12*	**51,011**	132,836
Cash at bank		**2,868,365**	2,947,365
Total current assets		**2,919,376**	3,080,201
LIABILITIES:			
Creditors: amounts falling due within one year	*13*	**(199,718)**	(156,101)
NET CURRENT ASSETS		**2,719,658**	2,924,100
TOTAL NET ASSETS		**2,838,781**	3,092,948
THE FUNDS OF THE CHARITY:			
Restricted funds	*15a*	**847,694**	1,294,757
Unrestricted funds	*15b*	**1,478,095**	1,233,279
Designated funds	*15c*	**512,992**	564,912
TOTAL CHARITY FUNDS		**2,838,781**	3,092,948

The financial statements were approved by the Board of Directors on 9th August 2021 and signed on its behalf by:

Ronan Murphy — John Reynolds

Ronan Murphy
Director

John Reynolds
Director

1. ACCOUNTING POLICIES

General information and format of financial statements

Business in the Community Ireland is a company incorporated in Ireland under the Companies Act 2014 as a company limited by guarantee and is a registered charity with its registered office at 29 Earlsfort Terrace Dublin 2 registered number 338442. The nature of the company's operations and its principal activities are set out in the directors' report on pages 3 to 8. The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council, as applied in accordance with the provisions of the Companies Act 2014, and with the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS102 ("the Charities SORP") ("relevant financial reporting framework").

The functional currency of the company is considered to be euro because that is the currency of the primary economic environment in which the company operates.

As permitted by section 291(3)(4) of the Companies Act 2014, the company has varied the standard formats specified in that Act for the Statement of Financial Activities and the Balance Sheet. Departures from the standard formats, as outlined in the Companies Act 2014, are to comply with the requirements of the Charities SORP and are in compliance with Sections 4.7, 10.6 and 15.2 of the Charities SORP.

The company meets the definition of a Public Benefit Entity under FRS102. As a registered charity, the company is exempt from the reporting and disclosure requirements to prepare a directors' report under section 325 (1) (c) Companies Act 2014 but does so in compliance with the Charities SORP. There is nothing to disclose in respect of directors' interests in shares or debentures of the company under section 329 Companies Act 2014.

Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared 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 ("relevant financial reporting framework"), 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.

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.
- Related Party Transactions are not disclosed (S 33. FRS 102).

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, Gloucester Place Lower, Mountjoy, Dublin D01 C576.

1. ACCOUNTING POLICIES (CONTINUED)

Going concern

The company's forecasts and projections, taking account of reasonable possible changes in performance, results for the year and approved budgets for a period not less than twelve months from the date of signing the financial statements, 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. They continue to adopt the going concern basis of accounting in preparing the annual financial statements. The COVID–19 pandemic has had no impact on the directors' assessment of the going concern of the company.

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 year in which the organisation is entitled to the resources and are recognised when the funds have been received.

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

The donor has imposed conditions which must be met before the charity has unconditional entitlement.

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, SORP specifically does not require disclosure of these services.

Expenditure

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

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.

Fundraising costs are those costs incurred in attracting voluntary income.

Charitable activities include those costs incurred directly in the delivery of programme services and include 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.

1. ACCOUNTING POLICIES (CONTINUED)

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.

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 from start of use in equal annual instalments over their estimated useful lives and in full in the year of disposal.

Office equipment	5 years
IT equipment	3 years
EPIC equipment	3 years
Ready for work equipment	3 years
Women at Work	3 years
School Business Partnership equipment	3 years
Membership services team equipment	3 years
Premises Fittings	5 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. Following successful completion of the probationary period and a confirmation of appointment as staff member, the organisation will contribute 5% of that person’s salary to the PRSA scheme, subject to the individual making a 5% contribution to the PRSA scheme. 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.

1. ACCOUNTING POLICIES (CONTINUED)

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).

Funds Accounting

Funds held by the charity are:

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.

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.

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

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 €1,200,000 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 Ireland has unrestricted reserves on 31 December 2020 of €1,478,095 (2019: €1,233,279).

Designated Reserves are those which have been set aside for particular purposes by the directors in the furtherance of the company's charitable objectives.

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 in addition to designated reserves listed in note 1.

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	**2020**	2019
	€	€
Membership fees	**222,100**	229,680
Government grants	**458,115**	1,077,730
Donations	**1,976,115**	1,660,869
	2,656,330	2,968,279

5. EXPENDITURE

Raising funds	**2020**	2019
	€	€
Staff costs	**194,074**	161,263
Administration costs	**30,692**	57,902
Overhead allocation	**25,331**	4,894
	250,097	224,059

	2020	2019
Charitable activities		€
Staff costs	**1,842,522**	1,696,332
Administration costs	**291,382**	76,866
Overhead allocation	**59,925**	352,889
	2,193,829	2,126,087

Other	**2020**	2019
		€
Staff costs	**330,163**	311,268
Administration costs	**125,787**	37,685
Overhead allocation	**10,621**	31,456
	466,571	380,409

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:

Programme	**2020 No**	2019 No
BITC membership services	**15**	13
Schools' Business Partnership	**11**	12
Employment Services	**13**	11
Shared services (Finance & HR)	**4**	7
Marketing & Communications	**4**	4
Total full time equivalent	**47**	47

(b) Analysis of staff costs are charged to the SOFA

	2020 €	2019 €
Salaries and wages	**2,101,210**	1,929,627
Social Insurance Costs	**220,599**	196,679
Employer's pension costs	**44,950**	42,557
	2,366,759	2,168,863

The salary bands (exclusive of Employer's PRSI) for staff paid over €60,000 are noted below, including pension entitlement, in the Foundation for Investing in Communities, the holding company for Business in the Community Ireland.

Salary Band	**2020 No**	2019 No
€60,000 – €70,000	**2**	3
€70,000 – €80,000	**4**	2
€80,000 – €90,000	**1**	-
€90,000 – €100,000	**-**	2
€100,000 – €110,000	**1**	-

7. KEY MANAGEMENT COMPENSATION/RENUMERATION

Some members of the Senior Management Teamwork in two of the group companies (Business in the Community Ireland and The Community Foundation for Ireland). The total cumulative amount paid to key management in both companies including pension entitlements is €599,672 (2019: €563,183) of which €363,581 (2019: €369,009) is attributable to Business in the Community Ireland and €236,091 (2019: €194,174) is attributable to The Community Foundation for Ireland.

The salary bands (exclusive of Employer's PRSI) for salaries of staff, allocated to, Business in the Community Ireland, including pension entitlement are noted below.

Salary Band	2020 No	2019 No
€60,000 – €70,000	**1**	1
€70,000 – €80,000	**2**	2
€80,000 - €90,000	**1**	-
€90,000 – €100,000	**-**	1
€100,000 – €110,000	**1**	-

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

The CEO's total salary and pension entitlement is €102,700 (2019: €96,900).

8. DIRECTOR REMUNERATION AND RELATED PARTY TRANSACTIONS

No director received remuneration or expenses during the financial year (2019: €nil). No director had any personal interest in any contract or transaction entered into during the financial year (2019: €nil).

9. TAXATION

Business in the Community Ireland is a registered charity and has been granted tax exemption status by Revenue.

10. NET INCOME

	2020	2019
The net income for the financial year is stated after charging:	**€**	€
Auditors' remuneration	68,746	10,212
Depreciation	65,827	70,433

11. TANGIBLE FIXED ASSETS

Departmental Equipment

	IT	EPIC	Ready for Work	Women at Work	School business partnership	Membership service team	Premises Fittings	Total
	€	€	€		€	€	€	€
Cost								
On 1 January 2020	104,698	17,023	3,424	2,128	54,674	84,223	247,094	**513,264**
Additions	2,798	1,138	0	0	9,422	2,744	0	**16,102**
Disposals	(29,724)	(11,067)	(1,296)	0	(45,205)	(63,985)	0	**(151,277)**
On 31 December 2020	**77,772**	**7,094**	**2,128**	**2,128**	**18,891**	**22,982**	**247,094**	**378,089**
Accumulated depreciation								
On 1 January 2020	(96,388)	(15,493)	(2,005)	(709)	(50,933)	(80,050)	(98,838)	**(344,416)**
Charge	(4,725)	(1,165)	(709)	(709)	(5,490)	(3,610)	(49,419)	**(65,827)**
Depreciation on disposals	29,724	11,067	1,296	0	45,205	63,985		**151,277**
On 31 December 2020	**(71,389)**	**(5,591)**	**(1,418)**	**(1,418)**	**(11,218)**	**(19,675)**	**(148,257)**	**(258,966)**
Carrying value								
On 31 December 2020	**6,383**	**1,503**	**710**	**710**	**7,673**	**3,307**	**98,837**	**119,123**
On 31 December 2019	8,310	1,530	1,419	1,419	3,741	4,173	148,256	**168,848**

12. DEBTORS: (amounts falling due within one year)

	2020	2019
	€	€
Amounts due from group companies:		
- The Foundation for Investing in Communities (note 18)	**-**	65,540
- The Community Foundation for Ireland (note 18)	**47,671**	42,296
Debtors	**-**	25,000
Prepayments	**3,340**	-
	51,011	132,836

13. CREDITORS: (amounts falling due within one year)

	2020	2019
	€	€
Trade creditors	**14,937**	28,381
Accruals	**151,149**	127,720
Amounts due to group companies:		
- The Foundation for Investing in Communities (note 18)	**33,632**	-
	199,718	156,101

14. FINANCIAL INSTRUMENTS

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

	2020	2019
	€	€
Financial assets		
Measured at undiscounted amount receivable		
Debtors (amounts falling due within one year) (note 12)	**-**	25,000
Amounts due from group companies (note 12)	**47,671**	107,836
	47,671	132,836
Financial liabilities		
Trade creditors (note 13)	**14,937**	28,381
Amounts due to group companies (note 13)	**33,632**	-
	48,569	28,381

15. ANALYSIS OF FUNDS

(a) Analysis of restricted fund movements

	Opening Balance 1/1/2020	Incoming Resources	Resources Expended	Transfers (to) / from Reserves	Closing Balance 31/12/20
	€	€	€	€	€
Grant making fund/PEI	640	-	-	-	**640**
Technology Project	21,135	-	-	-	**21,135**
Employment Contingency	112,323	-	-	-	**112,323**
Employment Programmes	20,597	-	-	-	**20,597**
Epic Programme	538,293	-	(498,871)	-	**39,422**
RFW (Deficit covered by ready for work support)	(1,062)	145,816	(112,373)	3,849	**36,230**
Croke Park Event	-	45,000	(6,541)	-	**38,459**
Schools Business Partnership	192,598	535,999	(381,355)	(50,376)	**296,866**
Time to Read	110,336	130,400	(316,012)	90,876	**15,600**
RISE	-	45,000	-	-	**45,000**
Corporate Leaders Group	432	-	-	-	**432**
Social Networking	3,966	-	-	-	**3,966**
SSE Airtricity	22,667	19,060	-	-	**41,727**
Epic Support	120,081	44,856	(24,191)	-	**140,746**
Get Ready Programme	-	15,000	-	-	**15,000**
Ready for work support	41,348	1,500	(19,448)	(3,849)	**19,551**
Women at work	111,403	-	(111,403)	-	**-**
Total	1,294,757	982,631	(1,470,194)	40,500	**847,694**

Transfer from RFW support to Ready for Work is to distinguish between Government funding and other funds received for the programme i.e. Youth Employment, Bridge to Employment and Career Leap are all part of Ready for Work. Transfer of €90,876 from Schools Business Partnership to Time to Read. Transfer €40,500 from designated funding (Basis Point Mentoring) to Schools Business Partnership under restricted donation for the Time to Read programme.

(b) Analysis of unrestricted fund movements

	Opening balance	Incoming resources	Resources expended	Transfers between funds	Transfers to Designated Reserves	**Closing balance**
	1-Jan-20					**31-Dec-20**
	€	€	€	€	€	€
Total	1,233,279	1,673,699	(1,379,858)	-	(49,025)	**1,478,095**

15. ANALYSIS OF FUNDS (CONTINUED)

(c) Analysis of designated fund movements

	Opening balance Jan-2020	Incoming Resources	Resources Expended	Transfers (to)/from unrestricted reserves	**Closing balance 31 December 2020**
	€	€	€	€	**€**
Business Working Responsibly Mark	18,839	-	-	-	**18,839**
Business Model	78,167	-	-	-	**78,167**
Marketing/Social Media	21,377	-	-	-	**21,377**
Document Management	25,000	-	-	-	**25,000**
Biodiversity Research	23,371	-	-	-	**23,371**
SME Campaign	2,801	-	-	-	**2,801**
Stem Research	2,712	-	-	-	**2,712**
Leave Contribution	187,061	-	(11,026)	49,025	**225,060**
Accounts System	25,000	-	-	-	**25,000**
Office Relocation	127,500	-	(49,419)	-	**78,081**
basis.point Mentoring	40,500	-	-	(40,500)	**-**
Social Innovation Fund	2,069	-	-	-	**2,069**
MST Member	10,515	-	-	-	**10,515**
Total	**564,912**	**-**	**(60,445)**	**8,525**	**512,992**

The transfer from unrestricted funds to leave contribution is to setup up a designated fund to cover cost of absence/leave and the transfer to office relocation is to cover the costs of the move to the new offices in Phibsborough.

16. FINANCIAL COMMITMENTS

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

Buildings:	**2020**	2019
	€	€
Less than one year	**121,311**	121,311
One to five years	**145,916**	267,227
Greater than five years	**-**	-
	267,227	388,538

17. CURRENT FUNDING

TUSLA provided current funding in 2020 to the amount of €247,299 (2019: €207,299). Funding is granted for a 12-month period.

The Department of Education and Skills provided current funding in 2020 to the amount of €20,000 (2019: €29,826). Funding is granted for a 12-month period.

The Department of Justice and Law Reform provided current funding in 2020 to the amount of €45,000 (2019: €689,792). Funding is granted for a 12-month period.

The Department of Employment Affairs and Social Protection provided current funding in 2020 to the amount of €145,816 (2019: €102,351). Funding is granted for a 12-month period.

18. 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, which also wholly controls, The Community Foundation for Ireland, a related subsidiary to Business in the Community Ireland.

19. SUBSEQUENT EVENTS

There have been no events subsequent to the year-end that require any adjustment to, or additional disclosure in the 2020 financial statements.