

Building Public Trust 2015

‘Excellence in reporting’ awards

*‘Excellence in
reporting’ awards
in the FTSE 100,
250, Charities,
Private Business,
and Public Sector*

1 October 2015

Contents

Introduction	2
Foreword	3
National Audit Office introduction	4
View from chair of the judging panel	5
The judging panels	6
‘Excellence in reporting’ – award in the FTSE 100	7
‘Excellence in reporting’ – award in the FTSE 250	8
‘Excellence in reporting’ – award in private business	9
‘Excellence in reporting’ – award in charities	10
‘Excellence in reporting’ – award in the public sector	11
In celebration of the Awards this year a donation has been made to the following organisations	12
Building Public Trust – 2015 awards luncheon	13



National Audit Office

The Building Public Trust Award ‘Excellence in reporting’ in the public sector is awarded jointly with the National Audit Office.

Introduction

The ‘Excellence in reporting’ awards 2015

This is the 13th successive year in which PwC has presented these annual awards for outstanding corporate reporting in both the private and public sectors. Once again this year, it gives us great pleasure to be presenting the public sector award in association with the National Audit Office.

This evening’s event showcases the three long-established flagship awards for overall excellence in reporting in the FTSE 100, the FTSE 250 and the UK public sector. These are being presented alongside the award for reporting by charities, which was introduced last year; and an award for reporting by private businesses, which is new this year. The launch of the private business award recognises the dynamism and entrepreneurship of this sector, and its high and rising importance to economic activity, government tax receipts, job creation and skills development across the UK. Once again, these awards coincide with our latest annual review of reporting trends in the FTSE 350. ‘Searching for buried treasure’ identifies four key themes and challenges for the next reporting cycle and is available on our website.

Each of this evening’s hard-earned awards recognises the achievement of organisations that have differentiated themselves through the clarity and transparency of their reporting – in short, showing the way forward on the journey towards ‘telling it how it is’. As well as applauding their efforts this evening, we urge others to emulate them in striving for ever more open, accessible, honest and integrated disclosure of their objectives, actions and impacts.

Each award recognises the achievement of organisations that have differentiated themselves through the clarity and transparency of their reporting.

Foreword: Ian Powell



I'm delighted to welcome you to PwC's annual Building Public Trust Awards, where we recognise and celebrate the best reporting by UK listed companies, public sector bodies, registered charities and, for the first time this year, private businesses.

PwC has presented these awards in every year since 2003. During that time, we believe the importance of building public trust in business and other institutions has risen significantly.

We have expanded the Building Public Trust programme over the years to include an ever broader range of participants, including the launch four years ago of our annual Building Public Trust debates for leaders across all sectors. This year we also convened opportunities for students, future leaders and members of the public to engage around the trust agenda.

These initiatives have generated a number of new insights into the practical actions that organisations can take to earn and sustain trust. These insights will be shared more fully

in the coming weeks and months and they underline the importance of clear and authentic communication – the focus of tonight's awards.

It's the responsibility of all of us here this evening to ensure that our organisations are worthy of public trust and can communicate this trustworthiness effectively. Our nominees have made great strides towards achieving this, and we can all learn from them. At PwC we have made a significant change in our own reporting this year, with our first digital-only UK Annual Report, using videos and infographics to tell the story of our year and the engagement we have had has been really encouraging.

Finally, as many of you will know, this is my final Building Public Trust Awards dinner as Chairman and Senior Partner of PwC before my term ends next year. I would like to thank you for all your engagement both on the trust agenda and at these Awards over the last eight years.

Thank you

Ian Powell
Chairman and Senior Partner
PricewaterhouseCoopers LLP

National Audit Office introduction:

Amyas Morse



The National Audit Office is delighted to join PwC once again as co-sponsor of the 'Excellence in reporting' award in the public sector.

I'm equally pleased to report that the past year has seen a continued improvement in the quality of the reporting by the highest performing public sector organisations.

I'm especially gratified to see that, despite the extensive and complex reporting requirements for major government bodies, many of them are making real and creditable efforts to ensure their reporting becomes more accessible and readable.

As in other sectors, the move towards excellence in reporting is an ongoing journey. However, the assessment process for these awards revealed some particularly encouraging areas of progress this year. For example, most organisations presented a clear strategic vision for their organisation, often underpinned by supporting objectives. And there was a genuine step-change in the efforts to make the accounts easier to understand, with good use of graphics, summaries and 'highlights' pages to demonstrate achievements.

These positive points are balanced by some areas for improvement. The quality of risk reporting remains variable – and while reporting on KPIs is progressing, it's not always made clear how the KPIs support the organisation's overall aims. Also, while transparency is improving and public sector organisations are increasingly prepared to report underperformance, there is still a little too much 'positive spin', as opposed to frank and balanced reporting.

That said, the good news – as this year's shortlisted reports demonstrate – is that much progress has already been made and continues to be made. I'm confident that the momentum will be maintained, supported by HM Treasury's efforts to encourage further enhancements in quality, accountability and conciseness.

The NAO's involvement with these awards is part of our wider commitment to helping raise the standards of reporting by public bodies. We look forward to continuing to work with HM Treasury, our clients and other stakeholders, including PwC, to promote continued progress in the years ahead.

***Sir Amyas Morse KCB
Comptroller and Auditor General
National Audit Office***

Chair of the judging panels: Charles Tilley



This is my seventh year on the judging panel, and my fifth as chairman. And I'm delighted to say that my fellow judges have once again made my job both easy and enjoyable through their perceptive insights and observations.

This year I found their contributions more valuable than ever, following the expansion of the programme to include a record 18 awards, including a new award for private businesses. So the five awards showcased this evening are just the tip of the iceberg.

I should also add that the rising number of awards does not indicate any dilution of the quality of the assessment process. The shortlisting and judging remain the most rigorous I have ever seen – indeed I feel they've improved still further this year.

All of this is testament to the hard work and commitment of both the PwC team and external judges, and I thank them all for their efforts. I'm also delighted to say that the best corporate reporting – as exemplified by this year's nominees in both the FTSE 100 and 250 – is continuing to improve. Looking back over the seven years since I became involved, the progress is dramatic.

However, there's still further to go. While the recently-introduced mandatory strategic report is helping to improve the quality and

transparency of strategy reporting, additional regulation appears to be having a retrograde effect on executive remuneration reporting. And while reporting by public sector organisations and charities continues to advance, there's still a gap between the best and the rest.

Returning to the judging panels, an interesting development in our deliberations this year was a sharper focus on whether reporting would actually build trust. This centred on two issues: first, the 'mystery shopper' perspective of whether the real-world experience of dealing with a business was authentically reflected in its reporting. And second, the question of whether poor performance reported in one year was actually addressed in the next. I look forward to our judging panels sustaining and refining these perspectives in future years.

As ever, I congratulate all the nominated organisations for exhibiting the transparency, honesty and credibility that can help to build public trust – and urge others to learn from their example.

Charles Tilley is chair of the Building Public Trust Awards judging panels, chief executive of the Chartered Institute of Management Accountants, and member of the International Integrated Reporting Council; also deputy chairman at Great Ormond Street Hospital Foundation Trust in London, and Chairman of IFAC's Professional Accountants in Business Committee. He was formerly Group Finance Director with Hambros and a partner at KPMG.

The judging panels

This year's record 18 awards in the Building Public Trust programme were judged by two specially-convened expert panels. The judging sessions were held on 14 and 15 September 2015, and were both chaired by Charles Tilley.



The judges in order of appearance in the photo, from the left, at the judging panel on 14 September were:

Andrew Hind CB – Charity Finance, **Angela Knight CBE** – Brewin Dolphin, **The Rt Hon the Lord Jack McConnell**, **Stephen Haddrill** – Financial Reporting Council, **Sir Chris Powell** – Chairman of the Advertising Standards Board of Finance, **Lady Susan Rice CBE**, **Charles Tilley** – CIMA and chair of the Building Public Trust Awards judging panels, **Mark Gregory Wood** – NSPCC, **Charles Bowman** – PwC (not on panel)



The judges in order of appearance in the photo, from the left, at the judging panel on 15 September were:

Melanie McLaren – Financial Reporting Council, **Alan McGill** – PwC (not on panel), **Kate Mathers** – National Audit Office, **Robert Hodgkinson** – ICAEW, **Charles Tilley** – CIMA and chair of the Building Public Trust Awards judging panels, **Paul Lee** – Aberdeen Asset Management, **Rod Sellers OBE** – Seddon Solutions Ltd, **Charles Bowman** – PwC (not on panel), **Andy Brough** – Schroders, **Dame Karen Dunnell DCB**

‘Excellence in reporting’ in the FTSE 100

Award criteria: please see www.bptawards.com

This award has been revised this year, to focus on recognising companies that perform consistently well across all award categories – the ‘best of the best’.

Judges’ comments

Joint winners

Legal & General Group

L&G takes a uniquely innovative approach to the main narrative in its reporting, shaping its disclosures around five external market trends, with excellent coverage of the associated risks and strategic response. In this digital age, the company’s online reporting integrates seamlessly with and expands on the printed disclosures. One judge described L&G’s reporting as “exciting and believable”, while another called it “ebullient and enthusiastic”. A third added: “I really like the way L&G is ‘having a go’ – leading the way by including a wealth of information and ideas, and basing its reporting on the broader context.”

United Utilities Group

Highly commended last year, United Utilities wins joint first place with highly accessible reporting that is well-integrated across its annual report and wider sustainability document. The reporting covers both the financial and operational aspects of its business model supported by detailed insights into its strategy, risks and performance. “United Utilities tells a clear story that stresses the role of people and how they help create value,” commented one judge. Another added: “The way the company links together its strategy and what it’s looking to achieve from a regulatory viewpoint is very impressive.”

Highly commended

(in alphabetical order)

British American Tobacco

BAT provides a clear front-end narrative that is aligned with the business model, strategy and governance reporting, with explicit targets for each KPI. The remuneration disclosures are especially comprehensive, and include a well-presented ‘at-a-glance’ summary table. People are clearly and consistently identified throughout as key to BAT’s strategic priorities. “BAT presents itself well, with reporting that’s solid and comprehensive,” said a judge.

The British Land Company

British Land provides a compelling strategic report with a sense of evolution and a forward-looking perspective by reporting progress against clearly stated priorities and setting objectives for the year ahead. It places sustainability at the heart of its reporting, integrating key and relevant messages into its annual report and other channels. One judge commented: “This reporting is clear, concise and not at all long-winded – I feel confidence in what the company says.” Another described it as “reporting that hangs together well, and is believable.”

‘Excellence in reporting’ in the FTSE 250

Award criteria: please see www.bptawards.com

This award has been revised this year, to focus on recognising companies that perform consistently well across all award categories – the ‘best of the best’.

Judges’ comments

Winner

Provident Financial

Last year’s winner retains top spot with reporting that is clear, well-presented, and tells a compelling story. The bedrock is a comprehensive strategic report underpinned by strong market analysis and detailed segmental coverage. The corporate governance disclosures are equally strong, including a very clear introduction from the Chairman, and one of the most detailed explanations of the board evaluation process that the judges had ever seen. Tax strategy and total tax contribution are also discussed accessibly. “It takes a complicated business and describes it very well,” commented one judge. Another added: “In terms of clarity, this reporting bears comparison with anything in the FTSE 100.”

Highly commended

(in alphabetical order)

Great Portland Estates

Great Portland Estates is highly commended for the fourth year running for outstanding reporting that provides an excellent explanation of how the business creates value. The strategic report is excellent, with strategic themes tying in risks and KPIs, and the governance reporting is well-aligned with corporate

strategy. The sustainability strategy is also clearly communicated, with reference to key stakeholders. “The company’s done a great job of highlighting the current position in the market cycle, and how it’s responding,” commented a judge. Another added: “The strategic report is compelling and explains what really matters.”

Tullow Oil

First-time nominee Tullow Oil puts its business model and long-term sustainability at the heart of its reporting, with clear forward-looking insights and detailed discussion of its wider social and economic impacts. The business model’s central role in the annual report is reinforced by graphical symbols showing the linkage to other elements. Sustainability is another recurring theme, supported by additional detail in the separate CSR report. “The analysis of the marketplace is very good,” said a judge. “And it’s very clear on risk, and who owns it. From a reporting perspective, this ticks all the boxes.”

‘Excellence in reporting’ in private business

Award criteria: please see www.bptawards.com

Judges’ comments

Winner

John Lewis Partnership

John Lewis wins the inaugural private business award with a visually attractive and highly readable annual report and accounts based around the business’s seven key principles. The use of graphics and cross-referencing is excellent, making the messaging clear and easy to follow. The business review provides a thorough and detailed examination of the business, and sustainability – including in the supply chain – is integrated throughout. One judge commented: “This report is a class act, marked out by its accessibility and the way everything links together: John Lewis’s values and the way they run the business really come through.” Another judge added: “This is reporting that’s fantastically clear and beautifully presented. It sets a standard for others to aspire to.”

Highly commended

(in alphabetical order)

Co-operative Group

The Co-op’s annual report tackles its past issues head-on, providing a wealth of detail on the specific actions taken to address them under the ‘rescue, rebuild, renew’ strategy. This strategy is embedded throughout the reporting, supported by a

well-defined purpose statement and a highly detailed corporate governance report. “They have a new team in place, and they make it clear what they’re looking to achieve,” commented a judge.

Marshall of Cambridge (Holdings)

Marshall provides a thorough and detailed report on its strategy and goals, split by its four business segments. The business review is well integrated with the strategic report, including future targets and current trends, supported by quantified measures. A clear description of the business model makes it easy to understand where the group earns its revenues, linking through to risk and strategy. Some of the judges said they didn’t know much about Marshall before reading the annual report – but all added that they were very impressed after doing so.

‘Excellence in reporting’ in charities

Award criteria: please see www.bptawards.com

Judges’ comments

Winner

Cancer Research UK

The trustees’ annual report and accounts provides a clear account of Cancer Research UK’s strategy, explaining its vision, mission, objectives and strategic priorities both now and going forward. The disclosures on the charity’s financial performance for the year are transparent and comprehensive, and the annual report is well integrated with the detailed information provided on the charity’s website – which also includes a comprehensive strategy document with an interactive link from the annual report. “Very impressive reporting on strategy, and very well presented,” commented a judge. Another added: “It gives a clear breakdown of where the money comes from.”

Highly commended

(in alphabetical order)

Church Commissioners for England

The Church Commissioners’ reporting cuts through the charity’s relative complexity with a clear and transparent explanation of its corporate governance, including risk management and board attendance. The benefits it generates for the public are also clearly set out, supported by figures, and its investments policy is well explained. “The reporting

on responsible investment is simply brilliant,” said a judge. “And the analysis of the factors that will drive its strategy over the coming five years is very cogent.”

Save the Children

Save the Children’s reporting is set apart by very clear alignment between its KPIs and strategic priorities, and by remuneration disclosures that are among the most transparent in the charities sector, including separate disclosure for individual executive directors. Future plans are also set out fully and clearly, including goals, priorities and measurable targets. “The front-end report– especially from the chief executive – is really striking, and zeroes in on the front-line challenges the charity faces,” said one judge. “And the reporting on executive pay is cutting-edge within the charities sector – the best we’ve seen for this award.”

‘Excellence in reporting’ in the public sector

Awarded jointly by PwC and the NAO

Award criteria: please see www.bptawards.com

Judges’ comments

Winner

Department for Business Innovation & Skills

First-time nominee BIS wins the award with a well-structured report that uses strategic themes to link together the narrative, providing a clear picture of priorities, activities and performance in a complex department. Case studies are used well, and the contribution made by the department’s many partner organisations to its overall performance is described fully. The governance statement is also of high quality, supported by detailed risk analysis and innovative reporting on changes in risks from the prior year – including risks that have reduced. “It’s very clear on KPIs, and takes an integrated approach with easily-understandable tables on actions completed and overdue,” commented one judge. Another summed up: “A complicated business well-explained.”

Highly commended

(in alphabetical order)

HM Revenue & Customs

Last year’s winner is highly commended for an easy-to-understand report with clear highlights. Unlike many public sector reports, HMRC’s openly recognises underachievement in some areas, giving a sense of honesty and

balance. The performance data includes trend analyses of performance over time, and graphics are used well to support the narrative. One judge commented: “The section on risk is very strong – including a very detailed ‘risk pyramid’ that’s unusual in public sector reporting. And the reporting is balanced, giving a flavour of things that haven’t gone well.”

National Savings & Investments

NS&I – which won the award in 2011, and was among last year’s nominees – wins a commendation with a clear, balanced and easy-to-follow report that addresses both positive and negative issues from the outset. While NS&I’s business is easier to explain than the others on the shortlist, its reporting exhibits a number of distinctive innovations, including an assessment of the quality of data reported to the Board. One judge summed up: “This is a good report on a relatively simple organisation – and it goes further than the other two in some regards.”

*In celebration of the Awards this year
a donation has been made to the
following organisations*



**beyond
food**
FOUNDATION

Beyond Food
beyondfood.org.uk

 school for
social
entrepreneurs

The School for Social Entrepreneurs
the-sse.org



Wellbeing for women
wellbeingofwomen.org.uk

**WELLBEING
OF WOMEN**

Building Public Trust – 2015 awards luncheon

The following Building Public Trust Awards will be presented at a separate event on 2 December:

Corporate Governance reporting in the FTSE 100 & 250
Strategic reporting in the FTSE 100 & 250
Sustainability reporting in the FTSE 100 & 250
Sustainability reporting in the public sector (awarded jointly by PwC and the NAO)
Executive remuneration reporting in the FTSE 100 & 250
People reporting in the FTSE 100
Tax reporting in the FTSE 350 Extractives
Tax reporting in the FTSE 350 Multinationals
Tax reporting in the FTSE 350 UK focused

Please refer queries to:

Denise Gleeson

Email: denise.gleeson@uk.pwc.com

Telephone: 020 7804 6227

Website: www.bptawards.com

www.bptawards.com

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers LLP, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

© 2015 PricewaterhouseCoopers LLP. All rights reserved. In this document, "PwC" refers to the UK member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

150901-182819-DG-OS