

Company number: 08364475

Charity number: 1155570

Social Innovation Exchange

Report and financial statements

For the year ended 31 December 2020



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For the year ended 31 December 2020

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Reference and administrative information

For the year ended 31 December 2020

Company number 08364475

Charity number 1155570

**Registered office
and operational
address** 3-5 Hardwidge Street
LONDON
SE1 3SY
UK

**Executive Board
members** Executive Board members, who are also directors under company law, who
served during the year and up to the date of this report were as follows:

Harvey Koh Chair
Marcello Palazzi
Geoff Mulgan
Ada Wong
Carolyn Curtis
Tim Draimin
Martin Cosarinsky
Kriss Deiglmeier

Principal staff Louise Pulford
So Jung Rim

Bankers Cooperative Bank
80 Cornhill
LONDON
EC3V 3NJ

Solicitors Bates Wells and Braithwaite
Scandinavian House
2-6 Cannon St
LONDON
EC4M 6YH

**Independent
examiners** Sayer Vincent LLP
Chartered Accountants
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

Report of the Executive Board

For the year ended 31 December 2020

The Executive Board present their report and the audited financial statements for the year ended 31 December 2020.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Part 1: Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 17 January 2013 and registered as a charity on 30 January 2014.

The company was established under a memorandum of association, which established the objects and powers of the charitable company and is governed under its articles of association.

All Executive Board members give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts.

Executive Board

The Executive Board has the power to make decisions that will govern SIX. The responsibilities of the Executive Board are as follows:

- Approve strategy, operating plans, budgets and have overall responsibility of executive functions as the Board of Directors of the company.
- Appoint the Director of SIX.
- Determine day-to-day governance, particularly financial management;
- Support fundraising for core costs and programs.
- Set norms and rules for SIX, e.g. around the use of the brand.
- Meet 3 -4 times a year (1 of these times will be held during the annual SIX event). Some meetings can be held via Skype (or equivalent), but at least two meetings need to be in person.
- All Executive Board members give their time voluntarily and receive no benefits from the charity.

Appointment of Executive Board members

Between four and eight Trustees can be appointed by the Trustees. If a new member is required they will be recruited following a Board review and skills audit of the existing Board.

Trustee induction and training

When a new member is appointed they are given an induction pack consisting of the memorandum and articles of association, the latest accounts, the business plan and the risk register. An induction programme is tailored to the skills and experience of the new member. Most new members are already familiar with the work of SIX.

Remuneration policy for key management personnel

The Director's salary is reviewed and set by the Board.

Global Council and Advisors

SIX takes a networked approach to all of its work, and we work with a large network of partners and advisors. When SIX was established, we established a global council who acted as an advisory group for SIX and contributed financially. At the end of 2020, the Global Council had 15 global partner organisations.

We also have a network of close partners and friends who support SIX in a non-financial way: 1) the SIX100, which is a tool to widen input and strategic direction to the work of SIX and 2) a group of informal Advisors, made up of retired Board members and other senior experts. They all act as representatives and a hub for SIX around the world.

Part 2: Objectives and activities

SIX Vision and Mission

SIX is a social innovation exchange built on mutual value, relationships and knowledge.

SIX was founded to help identify and connect isolated people and organisations within social innovation, in order to build the emerging field and share ideas within it. This was fuelled by our belief that change is more effective when people work collectively. Ten years later, we have helped to establish a flourishing global social innovation movement, and to connect those working within it. In order for SIX to remain the leading organisation who sets the direction for social innovation globally, we needed to update our vision and mission.

We believe that the exchange of experiences and knowledge drives positive social change, and that everyone has something to contribute and gain from the exchange. We curate connections between thinkers and doers who share a common goal of wanting to improve society. We invite new people into these conversations in order to create a buzzing marketplace of ideas and experiences. As an exchange, we facilitate purposeful conversations that challenge and inspire people to advance the field of social innovation.

SIX exists to challenge and inspire people to use innovation to increase social impact.

SIX in 2020 - the global Covid-19 pandemic and our unique advantage

SIX's work has always been situated in a changing context, directly affected by what is happening in the wider world. So, when Covid-19 started to spread around the world at the beginning of 2020, SIX adapted quickly. We had already identified the pandemic as a potential risk in 2019 but we did not predict the length or magnitude of its effects. On balance, SIX has weathered the (ongoing) storm well so far. 2020 was an opportunity for the organisation to take stock, renew and grow in confidence.

Report of the Executive Board

For the year ended 31 December 2020

As the effect of the pandemic took hold on societies around the world, SIX's mission and approach became even more relevant as many organisations realised the following:

- A more global approach is needed - Learning from different parts of the world has been the core premise of SIX. Now, the rest of the world is also realising how important this is. Many people realised we need to learn from how other countries were managing Covid-19. Indeed, some of the best responses and innovation have come from east Asia.
- A more connected/non siloed approach - people recognised no sector alone could tackle the health crisis (and therefore other seemingly intractable challenges). Governments needed to work with scientists, businesses and civil society effectively. This has always been the way SIX works.
- We need to find more creative, human ways of connecting - as many people were restricted to being online and working at home, there was a desperate need for more creative and engaging ways to host meetings and events. SIX is well positioned to do this and we are well known for finding interesting ways to connect. We are known as expert facilitators, translators, and curators.

SIX was also well set up to deal with the challenges of 2020 due to our established approach and values. As an organisation, we have developed skills and capabilities that mean we can flexibly adapt to the new challenges faced by the world. We have always stayed ahead of trends - as new societal challenges arise, new methods and tools and a social innovation lens needs to be applied in different areas. In addition, as public resources become more limited, new kinds of finance and public sector practices are developed. SIX is agile enough to adapt our work to these new trends, and spread them globally. The social innovation knowledge, experience and resources we hold in the team, Executive Board and close partners was more important than ever in 2020.

Key activities in 2020

Type of activities - We were still able to deliver the majority of our activities, despite the challenging environment. We adapted our three core types of activity in the following ways, in order to comply with the rules of COVID-19:

1. Events and convening - we transferred most of our events to zoom, a tool we were already familiar with. We also used a creative mix of high and low tech approaches to provide variety for participants in our programmes.
2. Capacity building programmes - we conducted our training programmes and study visits online and extended the programme times to make sure the programmes were still effective.
3. Developing and sharing insights and knowledge - we created several different creative ways to communicate our insights, moving away from producing standard reports and innovating by working with artists and in different mediums.

Working across six strategic areas and cross cutting themes - Following the Board retreat in November 2019, the Board agreed that SIX should work on 6 strategic areas over the coming years, which are based around all our activities in the previous years. Each year, we can change cross cutting themes, as relevant. We do not need to address every area every year. The strategic areas are:

1. Funders/foundations - philanthropy becomes more effective and authentic
2. Universities - universities rethink their purpose/innovate their models
3. Business - explore and share what motivates businesses to do good

4. Policy - social innovation is supported policy (focus on lobbying/influencing and working with cities/Mayors in Europe and Asia)
5. Future SI leaders - grow the next generation of social innovation leaders
6. Specialist SI institutions - grow the social innovation movement/mainstream social innovation

The core theme for 2020 was power and our work focussed on Funders and foundations, Corporates, Cities and social innovation movement building.

Geography/Global reach - Each year, we aim to expand our global reach but we are always limited by the number of events we can hold, and the high participation costs of flying around the world. Since travel was restricted in 2020, we took the opportunity to expand our network globally in a different way, specifically reaching out to include people and organisations from the global south who we don't usually connect with. Through our funders node work and the Wayfinder, 35 countries around the world participated in our activities, including Haiti, Lebanon, Tunisia, Saudi Arabia and Serbia. We also continued to grow our programmes in East Asia (focussing on Hong Kong, Seoul and Malaysia), as well as Canada.

2020 Goals and priorities

At the Board meeting in January, the Board agreed on the following list of priorities. In addition to continuing to deliver our existing contractual projects, we should:

1. Host flagship programmes that demonstrate SIX's leadership in social innovation.

- **Funders node Year on Power** - Our priority was to develop a year-long interrogation into the relationship between power and philanthropy in order to support foundations to question power dynamics at play in their own work, and influence others to do the same.
- **SIX Wayfinder 2020** - McConnell invited SIX to host the next SIX global Wayfinder conference in Canada, exploring the broad theme of Transitions. The intention was that the Wayfinder should not be seen as 'just an event', rather it should be viewed as a year long, co-designed, global exploration of a topic.

2. Scale the GIA Summer School

During the November 2019 Board retreat, the Board recommended we focus on scaling the SIX International Summer School for young people (a 5-day long challenge based exploratory programme designed to build social innovation capacity in young people aged 18-24, which we have delivered twice previously), rather than trying to develop several new programmes at the same time under the banner of the Global Innovation Academy.

This programme requires young people from different parts of the world to meet in person, and the funding would come from universities. Because of these 2 requirements and the global pandemic, it was not possible to deliver this goal in 2020.

3. Be deliberate in participation of small in ad hoc projects - In 2019, it was agreed that we should try and move away from doing lots of small projects, and focus on bigger longer term work. Whilst we should not go out and search for this kind of work, the Board agreed that if we are approached, we should take on the projects if they are inline with our strategic aims; if the partner is high profile/strategic; if it is good money; and if it is easy to deliver.

4. Building the SIX organisation - in order to have a strong foundation on which to deliver the above activities. 2020's organisational development should focus on:

- A governance review - some of the current Board members were due to reach their term limit in the next few years and will therefore retire. 2020 should focus on recruiting new Board members.
- Finances - We should move the balance of income to earmarked projects. We should aim for fewer, bigger programmes that connect lots of our work - e.g. Year on Power/Funders node, Transitions/Wayfinder).
- Personnel - Grow the core team to deliver main projects, and bring in content expertise as consultants when needed.

Specific activities

1. Events and convening - We transferred our convening activities

a) Funders node - bringing together more than 50 philanthropic leaders from around the world in online exchanges. To make the insights from the global scan (explained below) really useful for people, we organised a series of global conversations to help people meet new friends and contextualise these topics - different countries and types of organisations understand things in different ways. We also believe in reaching beyond our own 'bubbles', so we collaborated with philanthropy networks [Wings network \(focussing on philanthropy, power and new challenges\)](#) and [Ariadne \(focussing on radical change\)](#) to host learning exchanges, bringing our networks together and dive deeper into key themes that came out of the scan with new funders. In particular, we focused on building relationships with philanthropic organisations in the global south.

b) SIX Wayfinder events - The SIX Wayfinder is usually a 2 day event which brings together up to 150 global social innovation leaders. When it became evident that we could not host an in person event in 2020, we transformed the Wayfinder into a 9 months programme of different styles activities, reaching new people. In response to the general sense of anxiety, zoom fatigue, and anger around the world as death rates increased and economies crashed, we used the Wayfinder to connect with people in different ways. In total we hosted more than 70 events for 400+ people participating from 70 organisations in 10 languages.

c) Other convening activities

- We supported Heath Foundation (UK) on the design, facilitation and post event report of their event on the social determinants of health. This event was in January, and the only in person event we participated in for 2020.
- Asia Europe Dialogue series: We developed this series as part of our work to build Asia's Social Innovation narrative. Currently, social innovation practices in Asia are largely influenced by the US, UK and Europe narrative. However, due to very different political structures and cultural foundations, the adaptation of social innovation in the region is very different. We've begun to invite Asian social innovation practitioners in exchange and conversations with their peers from around the world. The first dialogue was hosted via YouTube live and attended by more than 150 people in Europe and Asia.
- SIX 'chats' series: We've reconnected with people who have been involved in SIX for some time by pairing people who we think would get on to have an informal conversation, with no agenda. At a

time when life and meetings have been very regimented because of the pandemic, people really appreciated the opportunity to connect informally for a 'chat', hosted by SIX with no official agenda. We hosted 20 global pairs for chats in 2020.

2. Capacity building programmes

Whilst we were not able to deliver Summer School for young people, as identified in our aims, we were able to deliver our existing programmes by redesigning them and adapting them to be delivered online.

a) Systems thinking training - We delivered 3 systems thinking in practice training workshops to the second cohort of 12 staff from the UK foundation. We used the broad structure from the first cohort in 2019, but adapted by making the sessions shorter but more regular, and breaking the group into smaller groups.

b) Virtual study tour - We'd been asked by an NGO in Hong Kong to host a study tour for its staff. We had planned to bring them to the UK to visit social innovation organisations. So when it became clear the a visit to the UK was not possible, we redesigned for a 'virtual' study tour. We took the opportunity to introduce the participants to innovations in different parts of the world, not just the UK and we spread the programme over several months with bi-weekly meetings, rather than an intensive week of learning, embedding more sustained learning.

c) Exchanging the how - We begun hosting regular learning sessions with Open Society Foundation team in Barcelona and New York to exchange learning on new ways of convening online, and sharing different tools and approaches to capacity building in an online environment.

3. Develop and share knowledge and insights

Since we were not able to host as many in person events enduring 2020, we focussed more energy on designing creative ways to develop and share knowledge globally. 2020 was a year when we spent a lot of a time staring at screens, reading similar content in long reports, mainly written in English. This approach means the audience is limited to a few people. So, we developed different kinds of products to increase accessibility, designed specifically for different kinds of global audiences.

a) REPORT: Business for Good: Understanding the motivations for businesses to create shared value - We finished and published the [report](#) working with the Hong Kong consulting team (of which SIX was a part). The executive summary is produced both in English and Cantonese to make it more accessible to more people in Hong Kong, as well as globally.

b) BOOK: Seoul as a people powered city - from local to global and back again - We worked with the Seoul City Social Innovation Advisory Group to produce a book of essays and case studies telling the story of how Seoul became a truly people powered city. The book introduces and promotes the social innovation legacy of Seoul City to a global audience and to cities around the world grappling with similar challenges.

c) WEBSITE: Funders node global scan - We conducted a global scan, examining how foundations around the world were responding to the Covid 19 global pandemic, and what it might mean for the way they behave in the future. We interviewed 40+ funders from across 6 continents, and developed a [website](#) to share the

insights we collected, making the content more engaging and easier to navigate than a standard report. We also participated in the CAF Giving Thought podcast.

d) MULTIMEDIA: Wayfinder - Through the SIX Wayfinder, events, We gave life to these in the global stories, essays, poetry, podcasts, videos, music, sounds, and other art works, which you can experience through the artefacts that make up our [‘Wayfinder score’](#). We worked with 6 artists from all over the world and produced a 25 minute piece of music - our final symphony entitled: , [‘Sounding together’ --- a soundtrack to a new social contract](#). Our insights reached more than 1000 people across 35 countries.

e) Ad Hoc development of knowledge and insights - Throughout the year, the team contributed articles, blogs and interviews related to the projects they work on as a way of spreading social innovation knowledge. We also supported other organisations including producing a short report for the Gulbenkian Foundation (UK Branch), documenting the analysis and key lessons from their marine co-lab programme.

4. Building SIX organisation

a) Governance review - It was agreed that 2020 was the right time for a governance review for the following 3 reasons:

- Changes in the world - Recent crises (climate crisis, COVID-19, Black Lives Matter) have also brought social innovation to the fore. These challenges directly connect to our work.
- Changes in the Board - four members are approaching the end of the third term and will step down in the coming year. We need to recruit new members, and appoint a new Chair.
- New strategic opportunities for SIX - As a global SIX organisation we are well positioned to respond to the current crisis, but we need to pivot our strategy. Doing more online means different kinds of investments and ways of organising.

The Board agreed on the criteria for new members and the process to renew the SIX Board.

b) The team changes - We employed two strategies for developing the team in 2020:

- Firstly, we grew the team by working with more consultants with expertise in particular areas, rather than growing a big core team.
- Secondly, our approach was to search for talent and hire this expertise globally. At the end of 2020, we had people working across four countries. As practiced cultural translators who are comfortable working in different countries with different kinds of people, SIX is well set up to have a global team and indeed it strengthens our work. Whilst Covid-19 was the catalyst for this approach, the Board have encouraged us to continue with it into 2021.

Beneficiaries of our services

Because SIX is a network focussed on exchange, its participants determine its impact. SIX participants are, in principle, co-creators of SIX. The main function of SIX is, therefore, to facilitate connections and curate learning between them.

Report of the Executive Board

For the year ended 31 December 2020

The participants of SIX are leaders or emerging leaders in social innovation, and work in government, non-profits and charities, social enterprises, universities and private companies. Mixing different backgrounds contributes to our quality. Broadly speaking, SIX network is comprised of people who are already engaged in social innovation thinking and/or practice and lead in a specific sector, expertise or geography. They see the value of social innovation and wish to share experiences with their peers and all those interested.

SIX also provides experiences for, and opportunities to engage those who are new to the concept of social innovation, but who are in practice already doing it in the sector, field or geography. This audience is a growing part of SIX's audience. SIX is also interested to learn from people in parallel fields with similar experiences.

For participants and people in our wider network, SIX provides access to other leading practitioners, thinkers as well as other networks of social innovators as well as dynamic experiences (SIX events series) where they can quickly access this. For governments and large regional and national institutions, SIX offers practical knowledge, skills, examples, and case studies of social innovations as well as open forums to discuss issues and practical problems. For foundations, SIX provides challenging forums for them to step out of their day to day work, and to reflect on and question their own practice.

Public benefit focus on ensuring that our activities achieve our charitable aims

The Executive Board review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Executive Board reports the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Executive Board ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The Executive Board have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Executive Board considers how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance in the delivery of public benefit

The charity's main activities and who it tries to help are described below. All its charitable activities focus on advancing the knowledge, practice and field of social innovation and are undertaken to further Social Innovation Exchange's charitable purposes for the public benefit.

All of the activities below develop and produce resources which are posted on SIX website and communicated with members in the UK, and around the world, via social media for the benefit of the general public.

Part 3: Financial review

The financial results are set out from page 15 onwards. SIX generated £400,859 of income and spent £338,261 on running projects, events and on support and governance costs.

Report of the Executive Board

For the year ended 31 December 2020

SIX is grateful to its Global Council members for the financial support they have given in 2020 and their continued support for SIX's ongoing activities.

Principal risks and uncertainties

The Executive Board discuss risks and uncertainties in each Board meeting. We have short and long term challenges in 2020:

Short term:

- **The ongoing effects of COVID- 19 global pandemic on staff wellbeing:** 2020 was a difficult year. Working at home has not been easy. Although we put in place several routines and processes to support the team, it has been an emotionally challenging year, and each team member has faced their own challenges in terms of home schooling, caring and family challenges, and struggles with mental health. The wellbeing of the team is important for a small team such as SIX.
- **The ongoing effects of COVID- 19 global pandemic on funding** - Many organisations, including foundations, have been financially affected by the pandemic and are therefore more careful with how they give their funding. The economy will take some time to recover. SIX is adapting to these changes, diversifying our funding streams and positioning ourselves strategically as an organisation who can support other organisation in this difficult time.

Long term challenge:

- **EU/Brexit and future European projects** - We have clarity that Brexit will not impact on our existing EU funded projects. However, it is unclear if we will be able to apply for European funding in the future. Partners in other countries may be more wary about inviting the UK into projects, even if it is legally possible, for fear UK involvement will have a negative impact on their chances of success.
- **Balancing business/strategy development and with delivery** - We need to move to fewer bigger programmes providing multi-year funding so we can better plan for the future. However, as a small organisation, it is a challenge to do this when many of the income streams are short term. This means fundraising is constantly a high priority. How do we secure more multi-year funding streams to better plan for the future?

Reserves policy and going concern

The Trustees have decided that the charity should hold three months running costs in reserves so that it could continue its activities in the event of a drop in funding. The target amount is £75,000 (3 months operating costs). We currently have free reserves of £353,983.

Part 4: Plans for the future

2021 can be seen as a transition year, or a year of investing in business development for the future. We need to move from a model of 'hand to mouth' activities year on year, to bigger and more sustainable projects. 2021 is the perfect time to do this. There has been so much change in the world, and so we should review our strategy in light of this. We also have our own changes in SIX with new Board members. 2021 is therefore an opportunity to:

Report of the Executive Board

For the year ended 31 December 2020

- Work together with the new Board to review SIX's strategy and shape our future direction - what is the new opportunity for SIX in the post pandemic world? Which themes should we be focussing on? (options include power, tech, climate, polarisation, arts and social innovation).
- Work on building/winning bigger multi-year programmes so we can increase our impact in 2022.
- In the first months of 2021, we will onboard the new Board members and schedule a time for a strategy session with the new Board to work on the points above.

Part 5: Statement of responsibilities of the Executive Board members

The Executive Board members (who are also directors of Social Innovation Exchange for the purposes of company law) are responsible for preparing the report of the Executive Board and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Executive Board members to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Executive Board members are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Executive Board members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2016 was 10 (2015:8). The Executive Board members are members of the charity but this entitles them only to voting rights. The Executive Board members have no beneficial interest in the charity.

Independent Examiner

Jonathan Orchard of Sayer Vincent LLP was re-appointed as the charitable company's independent examiner during the year and has expressed his willingness to continue in that capacity.

The report of the Executive Board has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The report of the Executive Board has been approved by the Executive Board members on 29/03/2021 and signed on their behalf by

Harvey Koh
Chair

Independent Examiner's report

To the Executive Board of

Social Innovation Exchange

I report on the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accounts in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1** Accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- 2** The accounts do not accord with those records; or
- 3** The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
- 4** The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities

Independent Examiner's report

To the Executive Board of

Social Innovation Exchange

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Name: Jonathan Orchard

The Institute of Chartered Accountants in England and Wales

Relevant professional qualification or membership of professional bodies (if any):

Address: Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

Date: 10 June 2021

Social Innovation Exchange

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Donations and legacies	2	317,069	83,790	400,859	311,689	121,055	432,744
Total income		317,069	83,790	400,859	311,689	121,055	432,744
Expenditure on:							
Raising funds	3	24,883	–	24,883	26,949	–	26,949
Charitable activities	3	229,588	83,790	313,378	238,861	121,055	359,916
Total expenditure		254,471	83,790	338,261	265,810	121,055	386,865
Net income / (expenditure) for the year	4	62,598	–	62,598	45,879	–	45,879
Transfers between funds		–	–	–	(8,689)	8,689	–
Net movement in funds		62,598	–	62,598	37,190	8,689	45,879
Reconciliation of funds:							
Total funds brought forward		291,385	–	291,385	254,195	(8,689)	245,506
Total funds carried forward		353,983	–	353,983	291,385	–	291,385

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

Social Innovation Exchange

Balance sheet

Company no. 08364475

As at 31 December 2020

	Note	£	2020 £	£	2019 £
Fixed assets:					
Tangible assets	9		<u>338</u>		<u>1,398</u>
			338		1,398
Current assets:					
Debtors	10	61,059		249,977	
Cash at bank and in hand		<u>376,532</u>		<u>129,810</u>	
		437,591		379,787	
Liabilities:					
Creditors: amounts falling due within one year	11	<u>(83,946)</u>		<u>(89,800)</u>	
Net current assets			<u>353,645</u>		<u>289,987</u>
Total net assets			<u>353,983</u>		<u>291,385</u>
The funds of the charity:	15				
Unrestricted income funds:					
General funds		<u>353,983</u>		<u>291,385</u>	
Total unrestricted funds			<u>353,983</u>		<u>291,385</u>
Total charity funds			<u>353,983</u>		<u>291,385</u>

The opinion of the directors is that the company is entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge the following responsibilities:

- (i) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- (ii) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime.

Approved by the trustees on 29/03/2021 and signed on their behalf by

Harvey Koh
Chair

Social Innovation Exchange

Statement of cash flows

For the year ended 31 December 2020

Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	62,598	45,879
Depreciation charges	1,060	1,682
(Decrease) in debtors	188,918	(25,683)
(Decrease) in creditors	(5,854)	(9,994)
Net cash provided by / (used in) operating activities	246,722	11,884

	2020 £	£	2019 £	£
Cash flows from operating activities				
Net cash provided by / (used in) operating activities		246,722		11,884
Change in cash and cash equivalents in the year		246,722		11,884
Cash and cash equivalents at the beginning of the year		129,810		117,926
Cash and cash equivalents at the end of the year		376,532		129,810

Analysis of cash and cash equivalents

	At January 1 2020 £	Cash flows £	Other changes £	At 31 December 2020 £
Cash at bank and in hand	129,810	246,722	–	376,532
Total cash and cash equivalents	129,810	246,722	–	376,532

1 Accounting policies

a) Statutory information

Social Innovation Exchange is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is 3-5 Hardwidge Street, Top Floor, London SE1 3SY.

b) Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees have considered the impact of COVID-19 on the organisation, and do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

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

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

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

f) Donations of gifts, services and facilities

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

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

g) Interest receivable

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

h) Fund accounting

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

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

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

i) Expenditure and irrecoverable VAT

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

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

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)**j) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

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

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

● Cost of raising funds	5%
● Events and convening	40%
● Knowledge and insights	25%
● Capacity building	20%
● Support costs	7%
● Governance costs	3%

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

● Events and convening	50%
● Knowledge and insights	25%
● Capacity building	25%

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

k) Operating leases

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

l) Tangible fixed assets

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

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

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

● Computer equipment	3 years
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m) Debtors

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

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

o) Creditors

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

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

p) Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Gifts and donations	300,367	83,790	384,157	179,189	121,055	300,244
Global Council	16,702	–	16,702	132,500	–	132,500
	<u>317,069</u>	<u>83,790</u>	<u>400,859</u>	<u>311,689</u>	<u>121,055</u>	<u>432,744</u>

3a Analysis of expenditure (current year)

	Charitable activities							
	Cost of raising funds £	Events and convening £	Knowledge and insights £	Capacity building £	Support costs £	Governance costs £	2020 Total £	2019 Total £
Staff costs (Note 5)	11,558	92,468	57,793	46,234	16,182	6,935	231,170	275,545
Other HR costs	–	–	–	–	–	51,342	51,342	25,093
Professional fees	–	–	–	–	1,284	–	1,284	999
Event costs	13,246	–	–	–	–	–	13,246	12,007
Travel and subsistence	79	633	396	317	111	47	1,583	23,296
Office costs	–	–	–	–	–	33,220	33,220	32,497
IT	–	–	–	–	–	1,996	1,996	5,406
Depreciation	–	–	–	–	–	1,060	1,060	1,682
fees	–	–	–	–	3,360	–	3,360	10,340
	24,883	93,101	58,189	46,551	20,937	94,600	338,261	386,865
Support costs	–	10,469	5,234	5,234	(20,937)	–	–	–
Governance costs	–	47,300	23,650	23,650	–	(94,600)	–	–
Total expenditure 2020	24,883	150,870	87,073	75,435	–	–	338,261	–
Total expenditure 2019	26,949	172,486	101,186	86,244	–	–	–	386,865

Social Innovation Exchange

Notes to the financial statements

For the year ended 31 December 2020

3b Analysis of expenditure (prior year)

	Charitable activities						
	Cost of raising funds £	Events and convening £	Knowledge and insights £	Capacity building £	Support costs £	Governance costs £	2019 Total £
Staff costs (Note 5)	13,777	110,219	68,886	55,109	19,288	8,266	275,545
Other HR costs	–	–	–	–	–	25,093	25,093
Professional fees	–	–	–	–	999	–	999
Event costs	12,007	–	–	–	–	–	12,007
Travel and subsistence	1,165	9,318	5,824	4,659	1,631	699	23,296
Office costs	–	–	–	–	–	32,497	32,497
IT	–	–	–	–	–	5,406	5,406
Depreciation	–	–	–	–	–	1,682	1,682
fees	–	–	–	–	10,340	–	10,340
	26,949	119,537	74,710	59,768	32,258	73,643	386,865
Support costs	–	16,128	8,065	8,065	(32,258)	–	–
Governance costs	–	36,821	18,411	18,411	–	(73,643)	–
Total expenditure 2019	26,949	172,486	101,186	86,244	–	–	386,865

4 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2020 £	2019 £
Depreciation	1,060	1,682
Operating lease rentals:		
Property	28,800	28,800
Independent examiner's remuneration (excluding VAT):		
Independent examination	2,800	2,700
Other services	-	5,400

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	202,280	241,625
Social security costs	16,843	21,602
Employer's contribution to defined contribution pension schemes	12,047	12,319
	231,170	275,546

One employee earned more than £60,000 during the year (2019: one).

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £127,965 (2019: £127,546).

The Executive Board were not paid or did not receive any other benefits from employment with the charity in the year (2019: £nil). No Executive Board member received payment for professional or other services supplied to the charity (2019: £nil).

The Executive Board's expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2019: £354) incurred by nil (2019: 1) member relating to attendance at meetings of the trustees.

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2020 No.	2019 No.
Raising funds	0.5	1.0
Charitable activities	4.5	5.0
Support and governance	0.5	1.0
	<u>5.5</u>	<u>7.0</u>

7 Related party transactions

There were no related party transactions in 2020 (2019: £nil).

8 Taxation

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

9 Tangible fixed assets

	Computer equipment £	Total £
Cost or valuation		
At the start of the year	9,371	9,371
Additions in year	-	-
	<u>9,371</u>	<u>9,371</u>
At the end of the year		
	<u>9,371</u>	<u>9,371</u>
Depreciation		
At the start of the year	7,973	7,973
Charge for the year	1,060	1,060
	<u>9,033</u>	<u>9,033</u>
At the end of the year		
	<u>9,033</u>	<u>9,033</u>
Net book value		
At the end of the year	338	338
	<u>338</u>	<u>338</u>
At the start of the year	1,398	1,398
	<u>1,398</u>	<u>1,398</u>

All of the above assets are used for charitable purposes.

10 Debtors

	2020 £	2019 £
Trade debtors	41,425	208,366
Prepayments	–	3,400
Accrued income	19,634	38,211
	<u>61,059</u>	<u>249,977</u>

11 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	33,035	13,184
Taxation and social security	7,840	10,098
Accruals	3,360	7,510
Deferred income (note 12)	39,711	59,008
	<u>83,946</u>	<u>89,800</u>

12 Deferred income

Deferred income comprises of £39,711 received in 2020 for use towards SCALINGS, which will be spent in 2021.

	2020 £	2019 £
Balance at the beginning of the year	59,008	57,990
Amount released to income in the year	(59,008)	(47,990)
Amount deferred in the year	39,711	49,008
	<u>39,711</u>	<u>59,008</u>

13 Pension scheme

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £12,047 (2019: £12,319).

14a Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	338	–	338
Net current assets	353,307	–	353,307
Net assets at the end of the year	353,645	–	353,645

14b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,398	–	1,398
Net current assets	288,589	–	288,589
Net assets at the end of the year	289,987	–	289,987

15a Movements in funds (current year)

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
European Commission					
SCALINGS	–	35,047	35,047	–	–
SIKE (Social Innovation for Knowledge Exchange)	–	32,235	32,235	–	–
VISION	–	16,508	16,508	–	–
Total restricted funds	–	83,790	83,790	–	–
Total unrestricted funds	291,385	317,069	254,471	–	353,983
Total funds	291,385	400,859	338,261	–	353,983

15b Movements in funds (prior year)

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
European Commission					
Common Good	(1,343)	8,287	8,287	1,343	–
SCALINGS	–	28,474	28,474	–	–
SEASIN	(7,346)	18,705	18,705	7,346	–
Other restricted –SIC	–	32,001	32,001	–	–
SIKE (Social Innovation for Knowledge Exchange)	–	33,588	33,588	–	–
Total restricted funds	(8,689)	121,055	121,055	8,689	–
Total unrestricted funds	254,195	311,689	265,810	(8,689)	291,385
Total funds	245,506	432,744	386,865	–	291,385

Movement in funds

Purposes of restricted funds

European Commission

SIKE – to support social innovation through knowledge exchange between universities and their communities by developing SIKE Units within universities in Europe, which encourage the development of new social innovation projects and products.

SCALINGS – an interdisciplinary European research project seeking to develop a systematic and in-depth understanding of the socio-cultural variation of co-creation across 10 European countries in 3 research areas.

VISION – is a project that aims to advance Europe’s capacity and effectiveness in teaching and training for creativity, innovation and entrepreneurship (CIE).

16 **Operating lease commitments**

The property lease agreement came to an end in November 2019, and is in the process of being renegotiated. Rent is currently being paid on a rolling-month basis.

17 **Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.