

Company number: 08364475
Charity number: 1155570

Social Innovation Exchange

Report and financial statements
For the year ended 31 December 2022



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For the year ended 31 December 2021

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Reference and administrative information
For the year ended 31 December 2022

Company number	08364475
Charity number	1155570
Registered office and operational address	12a Peacock Yard Iliffe Street London SE17 3LH
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 Ada Wong Carolyn Curtis (Resigned 5th April 2022) Tim Draimin (Resigned 5th April 2022) Martin Cosarinsky Kriss Deiglmeier Markus Lux Francois Bonnici Kiri Bird
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 2022

The Executive Board present their report and the audited financial statements for the year ended 31 December 2022.

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.

Part 2: Objectives and activities

SIX Vision and Mission

SIX was established in 2008 to identify and connect isolated social innovation leaders, build their capacity, consolidate knowledge, develop frameworks, and create a group of supportive peers that would create pathways for others to follow.

Fuelled by a belief that change is more effective when people work collectively, we've created a space for lively and impactful exchange between socially innovative thinkers and doers from a broad range of sectors and regions. In the last ten years we have built a movement that continues to grow, learn, connect diverse groups of people and deliver outcomes that create positive change in the world.

Report of the Executive Board
For the year ended 31 December 2022

10 years later, the world needs something different from SIX. So, whilst we stay true to our original mission to set the direction for social innovation globally and connect and inspire people, we have also spent the last few years reviewing our purpose and strategy to make sure we remain relevant and useful in changing times. SIX in 2022 exists to connect, empower and drive social innovation through the exchange of knowledge, expertise, innovation and inspiration. We focus on accelerating learning and exchange across borders and sectors, and we help people and organisations respond more quickly to, and prepare more effectively for, the issues the world is facing.

SIX in 2022

In the first half of 2022, we focussed on working with a few partners collaborating on deeper longer projects. The Covid-19 pandemic continued to affect how organisations like SIX could operate. This provided us with the opportunity to continue to work on developing our strategy, and a new brand identity. We kept the team small and agile. Once the world started to open-up more, and people began to travel in Summer 2022, we started to expand our work again, reconnecting with our global partners and learning how other organisations around the world were changing and what they were thinking about.

As part of our rebrand and review work, we organised our work into two major strands that feed into and mutually support each other:

- **Field building:** For more than a decade we've been building an organised group of social innovation practitioners spanning diverse sectors, cultures and seniority levels. Once the world began to open-up, we started to deepen and grow the network again through our programme of activities, including convening, knowledge-sharing and policy development.
- **Global Innovation Partner:** We partner with organisations to help them solve specific challenges and deliver on their missions. Bringing our expertise and knowledge of pan-global innovative thinking and practice, we build capacity, knowledge and skills so organisations can tackle those challenges successfully and at speed.

Together, the strands of our business build and expand the collective intelligence of the global social innovation community. Everyone benefits when knowledge and practice are shared, and the impact of social innovation initiatives grows.

As part of this work, we launched a new website, and our new brand. This signalled to the world that SIX was beginning to work in a new way.

Key activities in 2022

We focussed on three strategic areas in 2022 - 1) growing the social innovation movement globally (field building); 2) working with funders and philanthropy organisations, and 3) supporting the

development of social innovation policy in Europe. However, we don't believe these sectors should function in isolation - no one sector can address the complex challenges we face alone. So, in all of our programmes this year, we've focussed on cross sector connections, collaboration and learning, rather than supporting sectors, organisations and countries in isolation.

1. Supporting the social innovation field to grow globally - As part of our field building work, we continue a variety of activities to support the social innovation movement. Some of these activities focus on helping organisations position themselves globally and understand the global landscape. Other activities are organised by SIX and more people start to travel and want to reconnect to their global peers.

- **Social labs benchmarking study, Hong Kong** - We are working with Social Labs team in Hong Kong to review Hong Kong's social lab work from the lens of the international social innovation ecosystem, comparing their work to similar lab initiatives in other parts of the world, and recommending pathways relevant to scaling and growth in the post pandemic era.
- **SIX core network gathering in London** - The SIX Board meeting took place in person in London in September, so alongside this, we invited 25 of our closest global 'friends' to join us for 1.5 days to reconnect and re-energise, to look up and look out, and learn from the amazing work we are all doing. We believe we need the best minds from all sectors, and all geographies, to tackle the increasingly complex global challenges we face. In some ways, the world is more divided and disconnected than ever. So, we invited people to join us to ask, what can we learn from colleagues in other parts of the world and where are there opportunities to work collectively?
- **People Powered Cities event in London** - Much of the focus on cities has been dominated by obsession on the physical infrastructures but there are emerging breeds of cities that are looking at urban agenda beyond the mere physical – we are seeing cities harnessing the creativity of its citizens; new thinking about the city as an urban commons; the importance of the hyper-local place-based innovations. In this cities discussion, we brought together some of the Advisors from Paris to Barcelona, to Seoul to Mexico City (who were part of our previous work with the Mayor of Seoul) to explore the practices of cities that are experimenting with thinking at the edge and discuss the long-term social innovation legacy of cities. We also shared insights from [SIX's work with Seoul City over the last decade](#).
- **Learning globally** - As well as participating in conferences and events around the world, we've also hosted organisations and partners from Canada, Hong Kong and South Africa in London, introducing them to new organisations and hosting dinners.

2. Working with funders and philanthropy organisations - Over 2022, we have supported foundations and philanthropic organisations all over the world to be more innovative in several different ways - each according to their need and specific context.

- **Making recommendations for Porticus foundation on Business for Good funding strategy in South and South East Asia** - through mapping systems change funding initiatives in the region, and building on our funders node work over the last 5 years, we were able to provide Porticus with a comprehensive analysis of policy interventions and a map of business for good funders in South and South East Asia, alongside a set of recommendations for their future funding.
- **Working with Aga Khan Development Network (AKDN) to understand the value add of the network in East Africa** - We secured a new contract with Aga Khan Foundation in East Africa to conduct a mapping exercise to help them work out the value add across all of their education agencies. This included hosting a workshop in Tanzania in November for staff across all AKDN agencies working on education in Kenya, Uganda and Tanzania.
- **Collaborating with Headwaters Foundation (US) and other funders in Montana to host a SIX funders retreat** - The in-person retreat will take place in 2023, but we've been developing a programme of work to lead up to it to build momentum around the thematic area - Uniting global philanthropy around civic engagement and action for the decade ahead.
- **Acting as a learning partner for Berkeley Foundation (UK) on their new Resilience Fund** for youth organisations to build organisational development and resilience in the face of "incremental change and sudden disruptions" in the voluntary sector.
- **Tanya's Dream Fund (Bulgaria)** - TD Fund is a Bulgarian Foundation, funded by the Swiss philanthropy foundation working on children's welfare systemically. We have worked with them over 2022 to co-design a programme of work to strengthen the philanthropic response to building families where children can thrive in Bulgaria.

3. European social innovation policy support - There is a new round of European Commission funding supporting social innovation, so we received several new opportunities for new project collaborations, despite Brexit. We also continued to deliver the ESF funded ESIA project.

European Social Innovation Alliance (ESIA) - ESF funded project: We are at the mid-way point of this two-year project. Currently, we are supporting regular transnational learning within our own consortium (Denmark, Estonia, Germany, Poland, UK) to help establish Competence Centres for Social Innovation in each country. Our work also includes:

- We launched [11 podcast episodes](#) as part of the series 'How diversity, culture and history is shaping the future of social innovation in Europe'. Through conversations with social innovation leaders across Europe, this podcast explores the interaction between social innovators and the environment they function in
- We've hosted 3 expert dialogues as part of the series 'Reshaping Europe - A global dialogue' - an online conversation series that aims to expand social innovation knowledge across borders and sectors. We will be connecting not only with global social innovation leaders in Europe but also from other parts of the world.

Report of the Executive Board
For the year ended 31 December 2022

- We designed and facilitated the first in-person consortium partner meeting in Leipzig, Germany end of April.
- UK study tour - We hosted a study visit for 9 people from across the consortium to meet key innovation organisations in London in September
- We designed and facilitated "Infrastructuring Social Innovation" - the mid-term event in Tallinn, Estonia, on 5 October. Hosted by the Ministry of Social Affairs of Estonia. 50 organisations from across the Baltic Sea region, and key partners from other consortiums across Europe attended.

New project - Change Hubs for Ecosystemic Social Solutions (CHESS) - SIX was invited to put together a consortium, design a project and lead proposal writing to respond to a new Horizon call. We built a consortium of partners from Slovenia (coordinators), Lithuania, Germany, Italy and Spain and applied and won the project, which will begin in 2023.

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 still restricted in 2021, we continued reaching out to include people and organisations from the global south who we don't usually connect with. The work with Aga Khan, who are based in and focussed on, is a good example of this. Another example is the work we won for Porticus, which focussed on South East Asia.

Building the organisation - Board, team and strategic growth

Board members - During the year, two Board members left the Board. Tim Draimin (Canada) and Carolyn Curtis (Australia) have both served three terms on the Board. It was agreed that we do not need to bring on any new members in their place.

Team changes - We continued with our approach of keeping the core team small and London based. We bring in extra support and expertise as and when it is needed. A designer continues to work with the team remotely from Saudi Arabia and the coordinator of the European project is based in Europe. The team works partly in the office, partly remotely. In November, So Jung Rim (COO) went on maternity leave.

Growth plan - Growing SIX does not necessarily mean having a bigger team. However, the small and agile team we have currently means that we do not have enough capacity to work on business development and there is a danger of burn out in the team. So, in June, the Board approved hiring a new project manager level role, and some additional more senior support to work with the CEO on Business development, especially in light of the COO going on maternity leave.

In September, we made an offer and the new project manager, based in London, began in September. At the same time, a consultant began working with

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.

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 composed 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 £342,272 of income and spent £330,471 on running projects, events and on support and governance costs.

SIX is grateful to its Global Council members for the financial support they have given in 2022 and their continued support for SIX's ongoing activities.

Principal risks and uncertainties

The Executive Board discusses risks and uncertainties in each Board meeting. The short- and long-term challenges which we set out in 2021 remain in 2022. These challenges are:

Short term:

- **The ongoing effects of COVID- 19 global pandemic on staff wellbeing:** Whilst the team are more adjusted to working at home, the ongoing effects of the pandemic on the wellbeing of the team members is something which needs to be monitored carefully. Where it is safe to do so, the team would meet and work together in person.
- **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 -** Brexit makes it unclear if we will be able to apply for some 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?

- **Funders interest in climate issues** - whilst climate change is an extremely important issue to work on, many funders and foundations who used to be more interested in social issues may begin to focus their funding in this area. SIX will need to keep an eye on this and adapt our programming in order to be able to respond to changes in focus amongst people we work with.

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 £83,000 (3 months operating costs). We currently have free reserves of £399,763.

Part 4: Plans for the future

Looking forward

The events this week are an exciting moment for SIX. It is the first time we have brought our global 'friends and family' together since before the pandemic. It is an opportunity to share our new brand, our updated direction, and to talk about our work in a new way. It is also an opportunity to start exploring new directions for SIX in the future.

We have framed the gathering this week as an important moment for the field - an opportunity to come together and explore opportunities for collective action. The challenges we face globally are big, and urgent. They require us all to work in a different, more collective way. We need a more integrated approach, which utilises the resources and talent of all sectors. We need new partners, and we need to take more risks. Rather than competing for small, short-term contracts, small organisations should work together more.

The discussions during this week will be important for SIX as we think about our future direction. We are still able to draw a diverse crowd and design a good meeting (the response to the events this week was extremely positive). We also continue to be approached for, and win, new types of work. However, these projects remain unreliable, piecemeal, and small scale, which means our impact/influence is limited. Our current organisational setup means it is difficult to move away from a hand-to-mouth existence. Whilst the investment of our unreserved income surplus has enabled me to hire a new programme manager, we are still a very small team with few opportunities for the team to grow.

It is clear SIX's cross sector, global approach is still needed. But in order to really step up and make

a bigger/better contribution, and to keep the team (Louise) motivated, we need to think more creatively about the way the organisation works. With several Board members in the same room this week, it will be a good opportunity to brainstorm possible futures for SIX.

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 2022 was 10 (2021:8). 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.

**Report of the Executive Board
For the year ended 31 December 2022**

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
19 September 2023 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 2022.

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: 28 September 2023

Social Innovation Exchange

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

For the year ended 31 December 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from:							
Donations and legacies	2	291,979	50,293	342,272	220,662	110,116	330,778
Total income		291,979	50,293	342,272	220,662	110,116	330,778
Expenditure on:							
Raising funds	3	40,093	–	40,093	27,336	–	27,336
Charitable activities	3	240,084	50,293	290,377	156,669	110,116	266,785
Total expenditure		280,178	50,293	330,471	184,005	110,116	294,121
Net income / (expenditure) for the year	4	11,801	–	11,801	36,657	–	36,657
Transfers between funds		–	–	–	–	–	–
Net movement in funds		11,801	–	11,801	36,657	–	36,657
Reconciliation of funds:							
Total funds brought forward		390,640	–	390,640	353,983	–	353,983
Total funds carried forward		402,441	–	402,441	390,640	–	390,640

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 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	9		<u>2,678</u>		<u>1,174</u>
			2,678		1,174
Current assets:					
Debtors	10	175,413		43,467	
Cash at bank and in hand		<u>272,519</u>		<u>365,125</u>	
		447,932		408,592	
Liabilities:					
Creditors: amounts falling due within one year	11	<u>(48,169)</u>		<u>(19,126)</u>	
Net current assets			<u>399,763</u>		<u>389,466</u>
Total net assets			<u><u>402,441</u></u>		<u><u>390,640</u></u>
The funds of the charity:	15				
Unrestricted income funds:					
General funds		<u>402,441</u>		<u>390,640</u>	
Total unrestricted funds			<u>402,441</u>		<u>390,640</u>
Total charity funds			<u><u>402,441</u></u>		<u><u>390,640</u></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 19 September 2023 and signed on their behalf by

Harvey Koh
Chair

Statement of cash flows

For the year ended 31 December 2022

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

	2022 £	2021 £
Net income for the reporting period (as per the statement of financial activities)	11,801	36,657
Depreciation charges	1,339	923
(Increase) in debtors	(131,946)	17,592
Increase in creditors	29,043	(64,820)
Net cash provided by / (used in) operating activities	(89,763)	(9,648)

	2022 £	2021 £
Cash flows from operating activities		
Net cash provided by / (used in) operating activities	(89,763)	(9,648)
Cash flows from investing activities:		
Purchase of fixed assets	(2,843)	(1,759)
Net cash provided by / (used in) investing activities	(2,843)	(1,759)
Change in cash and cash equivalents in the year	(92,606)	(11,407)
Cash and cash equivalents at the beginning of the year	365,125	376,532
Cash and cash equivalents at the end of the year	272,519	365,125

Analysis of cash and cash equivalents

	At January 1 2021 £	Cash flows £	Other changes £	At 31 December 2022 £
Cash at bank and in hand	365,125	(92,606)	–	272,519
Total cash and cash equivalents	365,125	(92,606)	–	272,519

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 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.

1 Accounting policies (continued)

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.

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	10%
• Events and convening	30%
• Knowledge and insights	30%
• 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	35%
• Knowledge and insights	35%
• Capacity building	30%

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.

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies (continued)

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 £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Gifts and donations	251,979	50,293	302,272	148,162	110,116	258,278
Global Council	40,000	–	40,000	72,500	–	72,500
	<u>291,979</u>	<u>50,293</u>	<u>342,272</u>	<u>220,662</u>	<u>110,116</u>	<u>330,778</u>

Social Innovation Exchange

Notes to the financial statements

For the year ended 31 December 2022

3a Analysis of expenditure (current year)

	Charitable activities							
	Cost of raising funds £	Events and convening £	Knowledge and insights £	Capacity building £	Support costs £	Governance costs £	2022 Total £	2021 Total £
Staff costs (Note 5)	23,733	71,200	71,200	47,467	16,613	7,120	237,333	218,047
Other HR costs	–	–	–	–	–	33,508	33,508	33,007
Professional fees	–	–	–	–	904	–	904	885
Event costs	16,360	–	–	–	–	–	16,360	16,400
Travel and subsistence	–	18,106	–	–	–	–	18,106	689
Office costs	–	–	–	–	–	16,815	16,815	19,468
IT	–	–	–	–	–	2,567	2,567	1,162
Depreciation	–	–	–	–	1,338	–	1,338	923
Accountancy, grant audit and IE fees	–	–	–	–	3,540	–	3,540	3,540
	40,093	89,306	71,200	47,467	22,395	60,010	330,471	294,121
Support costs	–	7,838	7,838	6,719	(22,395)	–	–	–
Governance costs	–	21,003	21,003	18,004	–	(60,010)	–	–
Total expenditure 2022	40,093	118,148	100,041	72,190	–	–	330,471	–
Total expenditure 2021	27,336	106,051	85,836	74,899	–	–	–	294,121

Social Innovation Exchange

Notes to the financial statements

For the year ended 31 December 2022

3b Analysis of expenditure (prior year)

	Charitable activities						
	Cost of raising funds £	Events and convening £	Knowledge and insights £	Capacity building £	Support costs £	Governance costs £	2021 Total £
Staff costs (Note 5)	10,902	65,414	65,414	54,512	15,264	6,541	218,047
Other HR costs	–	–	–	–	–	33,007	33,007
Professional fees	–	–	–	–	885	–	885
Event costs	16,400	–	–	–	–	–	16,400
Travel and subsistence	34	207	207	172	48	21	689
Office costs	–	–	–	–	–	19,468	19,468
IT	–	–	–	–	–	1,162	1,162
Depreciation	–	–	–	–	–	923	923
Accountancy, grant audit and IE fees	–	–	–	–	3,540	–	3,540
	27,336	65,621	65,621	54,684	19,737	61,122	294,121
Support costs	–	9,869	4,934	4,934	(19,737)	–	–
Governance costs	–	30,561	15,281	15,281	–	(61,122)	–
Total expenditure 2021	27,336	106,051	85,836	74,899	–	–	294,121

4 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2022 £	2021 £
Depreciation	1,339	923
Operating lease rentals:		
Property	8,732	9,721
Independent examiner's remuneration (excluding VAT):		
Independent examination and Accounts Preparation	3,100	2,950

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

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	202,114	189,244
Social security costs	21,556	16,110
Employer's contribution to defined contribution pension schemes	13,663	12,693
	237,333	218,047

One employee earned more than £60,000 during the year (2021: one).

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £147,233 (2021: £133,007).

The Executive Board were not paid or did not receive any other benefits from employment with the charity in the year (2021: £nil). No Executive Board member received payment for professional or other services supplied to the charity (2021: £nil).

The Executive Board's expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,546 (2021: £nil) incurred by one (2021: nil) 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:

	2022 No.	2021 No.
Raising funds	0.5	0.5
Charitable activities	3.0	4.0
Support and governance	0.5	0.5
	4.0	5.0

7 Related party transactions

There were no related party transactions in 2022 (2021: £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	11,130	11,130
Additions in year	2,843	2,843
At the end of the year	13,973	13,973
Depreciation		
At the start of the year	9,956	9,956
Charge for the year	1,339	1,339
At the end of the year	11,295	11,295
Net book value		
At the end of the year	2,678	2,678
At the start of the year	1,174	1,174

All of the above assets are used for charitable purposes.

10 Debtors

	2022 £	2021 £
Trade debtors	162,817	38,030
Accrued income	12,596	5,437
	175,413	43,467

11 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	8,407	6,524
Accruals	39,762	12,602
Deferred income (note 12)	–	–
	48,169	19,126

12 Deferred income

	2022 £	2021 £
Balance at the beginning of the year	–	39,711
Amount released to income in the year	–	(39,711)
Amount deferred in the year	–	–
Balance at the end of the year	–	–

13 Pension scheme

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £13,663 (2021: £12,693).

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

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	2,678	–	2,678
Net current assets	399,763	–	399,763
Net assets at the end of the year	402,441	–	402,441

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

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,174	–	1,174
Net current assets	389,466	–	389,466
Net assets at the end of the year	390,640	–	390,640

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	-	-	-	-	-
ESIA	-	50,293	(50,293)	-	-
VISION	-	-	-	-	-
Total restricted funds	-	50,293	(50,293)	-	-
Total unrestricted funds	390,640	291,979	(280,178)	-	402,441
Total funds	390,640	342,272	(330,471)	-	402,441

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					
SCALINGS	-	61,769	61,769	-	-
ESIA	-	41,101	41,101	-	-
VISION	-	7,246	7,246	-	-
Total restricted funds	-	110,116	110,116	-	-
Total unrestricted funds	353,983	220,662	184,005	-	390,640
Total funds	353,983	330,778	294,121	-	390,640

Movement in funds

Purposes of restricted funds

European Commission

ESIA – is a transnational consortium project between Denmark, Estonia, Germany, Poland, funded under UK 2014–2020 European Social Fund and the EU programme for Employment and Social Innovation (EaSI), which aims to build Competence Centres for Social Innovation across Europe.

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 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.