

Company number: 08364475
Charity number: 1155570

Social Innovation Exchange

Report and financial statements
For the year ended 31 December 2023

Contents

For the year ended 31 December 2023

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Reference and administrative information**For the year ended 31 December 2023**

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: Markus Lux Chair Harvey Koh Marcello Palazzi Ada Wong Martin Cosarinsky (Resigned 14th April 2023) 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 110 Golden Lane LONDON EC1Y 0TG

Report of the Executive Board 2023

The Executive Board present their report and the audited financial statements for the year ended 31 December 2023.

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.

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 2023 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 2023 - getting back out there, learning and adapting to a changing world

Our activities of the last few years have felt very inward looking as we continue to feel the impact effects of the Covid-19 Pandemic. So as 2023 began, we had a new hunger for learning what a post Covid world would look like. On top of the aftermath of the pandemic, a challenging geopolitical environment continues to affect many of the organisations we work with, and a general attitude to working across borders. But the more challenging the environment, the more innovation will be happening as organisations respond.

So, the SIX team was ready to get back out there and to learn how organisations were responding. It was time to reconnect with old friends, and develop new connections with people in different parts of the world. We asked lots of questions to learn how people and organisations were navigating an ever more complex world, and we adapted our organisational approaches and language accordingly.

Key activities in 2023

2023 was a busy year for activities, all of which were organised around two interconnected approaches. Firstly, our field building work. Over the last decade, we've helped build the field of social innovation globally and building and expanding our global community, bringing fresh ideas and thinking is a core part of everything we do. The second strand of our work puts our decade of experience into practice. We use our expertise of pan-global innovative thinking and practice to help organisations tackle challenges they face successfully and at speed. We build capacity, knowledge and skills in the organisations we work with.

We kicked off five new strategically important projects in 2023 - each of these projects include elements of field building, whilst simultaneously helping an organisation with a specific challenge:

1. **Collaborating with Headwaters Foundation (US) and other funders in Montana to host a SIX funders retreat** - Unlike previous retreats, we hosted several online activities before the retreat to connect participants and develop some of the ideas and content for the agenda. The retreat, which took place in July, was also different to previous retreats we've hosted. This time, the place (Montana) was deeply connected to programming and we almost used

Montana as a live case study exploring how philanthropy can be more active in citizen engagement and building democracy. We worked closely with a selection of foundations from Montana to incorporate local examples and experience into the programme for the global participants to learn from. More information about the pre retreat three online funder exchanges is available [here](#). This report also describes the retreat itself, the 24 participants, and the learning and impact of the retreat.

2. Supporting Tanya's Dream Fund (Bulgaria) around setting up a new collaboration

emergency response fund - Tanya's Dream Fund is a Bulgarian Foundation, funded by the Swiss philanthropy foundation working on children's welfare systemically. We started discussions with them during 2022 to co-design a programme of work to strengthen the philanthropic response to building families where children can thrive in Bulgaria. We kicked off the work in 2023 by mapping the funding landscape of donors interested in investing in Bulgaria and providing examples of coordinated giving around prevention of child-family separation to inspire more coordinated giving. We brought together a group of local funders who were interested in learning more about the dynamics of co-creating an emergency response funding mechanism for prevention of child-family separation, with a view to potentially collaborating in the future.

3. Helping the University of Free State to connect globally - Following on from a conversation with UFS Vice Chancellor when he visited London in November 2022, we instigated a conversation about developing a long term partnership that will help them deliver on their new Vision 2030 strategy, a key element of which is internationalising and better connecting to a wider ecosystem.

4. Change Hubs for Ecosystemic Social Solutions (CHESS) - In 2022, 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. We launched the project in 2023. It is interesting for SIX as it is an applied project - designing, implementing and testing a "Social Innovation Action manual" in four locally specific contexts on four carefully selected societal challenges, each systemic in nature, in four countries (Slovenia, Italy, Lithuania, and Greece).

After three cycles of testing, iterating and improving, the tools will be developed into the final version of the Social Innovation in Action manual in a format that can be shared and used by organisations across innovation ecosystems across Europe who want to embed a quadruple helix approach to tackling their most complex social challenges. SIX has an important role in the project - we identify the tools to be tested and help partners use them; we develop the SI in Action Manual and we ensure learning across the partners.

Note: When we applied for the project, the UK was still eligible to participate in the EU Horizon programme. By the time we won the project, we were not, so our contact is facilitated by UKRI. By the end of 2023, the UK is now fully eligible for Horizon programmes again.

5. Business for Good 2.0 - research project in Hong Kong - We also started another piece of research work with a team in Hong Kong looking at new trends and practices Business for Good in the post-pandemic era. building on a previous Business for Good study (completed in 2019). As before, SIX's role is to contribute by providing global examples and case studies to show best practice and inspire local businesses in Hong Kong. This time, we will also produce a practical guide for companies in Hong Kong. SIX is once again gathering global case studies. We are looking for three types of companies: 1) big businesses that pivoted to more 'for good' during the pandemic; 2) new businesses that are established with a social purpose, and; 3) partnerships between big business and smaller NGOs. Again, the focus is on industries that are relevant to the HK ecosystem.

We also finished two projects in 2023:

- 1. We launched the Social Labs benchmarking study for the MaD Institute in 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.
- 2. 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.

We also continue to **act 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. This involved us hosting workshops for their grantees and connecting the Berkeley team into wider foundations discussions.

Getting out there and Global 'edge' places - The most innovative work and best practice is not always happening in well known places or big cities. Whilst it is sometimes necessary to go to more mainstream conferences to connect with people and share what we are working on, it is also important for us to find partners and work with organisations that are less well known, and more on the edge. We tried to find this balance in our visits this year. Some of our trips included:

- Slovenia in February to kick off the Horizon CHES project and Naples in October for the first learning workshop.

Report of the Executive Board
For the year ended 31 December 2023

- Hong Kong to attend the Social Labs event and launch the landscape report)/ It was also an opportunity to kick off the next Business for Good study.
- Denmark for final event of the two year European ESIA programme
- Amsterdam for the B Leaders Summit - CEO Louise hosted a panel discussion. This is an important forum for Business leaders who believe in the importance of creating value for society as well as their stakeholders. Having a platform here is important for our profile if we want to work in the business for good space
- Malaysia for the Hanah Forum in June, where Louise hosted a panel discussion on leadership. It was also an opportunity to attend the Asia Venture Philanthropy Network conference
- Bulgaria to host an afternoon with funders in the Bulgarian ecosystem who are interested in collaborative funding approaches.

Several organisations also started to visit London again. We supported two delegations: 1) a Canadian delegation of philanthropists and innovation leaders, organised by Community Foundations Canada; and 2) The Innopower teachers cohort from Hong Kong who were coming to London to learn from Social Innovation organisations.

Building the organisation - building a stronger core in 2023

Strategic Growth- Growing SIX does not necessarily mean having a bigger team - there are other ways we can deepen our impact. 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. Our ambition is to be able to deliver longer term, higher impact, higher value work and to work in partnership with other organisations. In order to be able to do the business development required for this, we need to build a stronger core in 2023. Setting a strong foundation for future years was a focus for 2023.

Team - The first half of the year was challenging as So Jung Rim (COO) was on maternity leave and we did not have the finances available to hire in a maternity cover, so we were delivering all the projects with a very small team.

On top of this, the CEO's time was focussed on recruitment. In 2022, the Board approved hiring a new project manager level role, and some additional more senior support to work with the CEO on Business development and managing existing projects. Winter 2022/23 was spent designing the right role and we began the hiring process in Spring 2023. Our new Senior Portfolio lead started in July, and So Jung also returned part time in July, so we started to be more productive in the second half of the year and by September, the team was up to speed and delivering at full capacity.

The London based team works partly in the office, partly remotely. We also have a designer, who lives in Saudi Arabia and a consultant who works on our European programmes, based in Spain. We connect regularly on zoom with team members based in other countries.

Executive Board changes

Board - During the year, one Board member, Martin Cosarinsky, left the Board. He was the Board member responsible for finances. He decided that the systems we had were robust and he was satisfied with the value he'd created. It was agreed that we should recruit another member who can work with the team on finances in the next round of Board recruitment.

Another major change was the change in the Board Chair. It was time for Harvey Koh to step down, and it was proposed that existing Board member Markus Lux should be the next Chair for SIX. The Board enthusiastically agreed with this decision and it was formally agreed upon at the October Board meeting.

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, nonprofits 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 £249,047 of income and spent £380,321 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 2023 and their continued support for SIX's ongoing activities.

Principal risks and uncertainties

The Executive Board discusses risks and uncertainties in each Board meeting. Some of the short and long term challenges which we set out in 2022 remain in 2023. These challenges are:

Short term:

- Finding enough new projects in the first few months of 2024 that can pay up front
- Don't have enough fundraising capacity

Long term challenge:

- Investing time in Projects that didn't work
- **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 £271,167.

Part 4: Plans for the future

Social innovation as a generic narrative is not as compelling as it has been over the last decade. In 2024, we therefore need to find ways to describe our work which fit into broader societal narratives. We will explore ways to grow/extend our existing projects which fit into these interconnected narratives.

There are several areas which will cut across all of our work:

- *Building cross sector collaborative partnerships for problem solving*- Our societal challenges are so complex that no sector can solve them alone. One thing that makes SIX unique is our ability to bring sectors together so we should build on this. How can philanthropy use its influence to affect businesses and governments? How can business partner with other sectors to be more responsible? What is the role of anchor institutions in growing local economies/strengthening society? What kind of new institutions are needed to encourage/support collaborative problem solving?
- *Getting ahead of new trends* - Another important selling point of SIX is our expertise in innovation. We are known for helping organisations learn about and make sense of new trends/new ways of doing things. AI is one of those, and we can build out from our work with philanthropy, but we should use our events and network to identify others.
- *Cross fertilising, linking and application* - once we identify these new trends, how can we help different sectors/organisations make sense of them. What does AI really mean for philanthropy and how can philanthropy shape discussions in this space?
- *Finding innovation on the edge* - We will continue to look to the less usual places to find new inspiration. Places like the Free State in South Africa (rather than Johannesburg and Cape

Town), the Middle East/Gulf, and South East Asia are interesting to us and we have good networks there. The 'localisation' narrative will be important here. How can global ideas be translated at local levels? This is a unique angle for SIX.

Cross cutting themes - There are a few emerging themes which are showing up in my of our projects. The first is *Strengthening democracy/participation*:

- 2024 is the election year in many countries, so this is front of mind for several organisations. There is a breakdown of trust between institutions and citizens, and between citizens. A new social contract is desperately needed but whose role is it to drive this? What is philanthropy's role in building a strong civil society and strengthening the relationship between citizens and institutions? The recent elections of far right leaders in Argentina and the Netherlands is another stark reminder that our democracy is in crisis so this is a timely topic for SIX. It also allows us to explore more of a place based model. How can we build on our work with funders in Montana for the future, but also expand this to other sectors too?

We are looking forward to exploring all of the above in 2024.

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

Report of the Executive Board
For the year ended 31 December 2023

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 2023 was 8 (2022: 10). 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 25 September 2024 and signed on their behalf by

Markus Lux
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 2023.

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 trustees of the Company you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act')/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 the Company's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011 ('the 2011 Act').

Independent examiner's statement

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, 110 Golden Lane, London, EC1Y 0TG

26 September 2024

Social Innovation Exchange

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

For the year ended 31 December 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Income from:							
Donations and legacies	2	191,998	57,049	249,047	291,979	50,293	342,272
Total income		191,998	57,049	249,047	291,979	50,293	342,272
Expenditure on:							
Raising funds	3	44,496	–	44,496	40,093	–	40,093
Charitable activities	3	278,776	57,049	335,825	240,084	50,293	290,377
Total expenditure		323,272	57,049	380,321	280,178	50,293	330,471
Net income / (expenditure) for the year and net movement in funds	4	(131,274)	–	(131,274)	11,801	–	11,801
Reconciliation of funds:							
Total funds brought forward		402,441	–	402,441	390,640	–	390,640
Total funds carried forward		271,167	–	271,167	402,441	–	402,441

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 2023

	Note	£	2023 £	£	2022 £
Fixed assets:					
Tangible assets	9		<u>1,607</u>		<u>2,678</u>
			1,607		2,678
Current assets:					
Debtors	10	111,857		175,413	
Cash at bank and in hand		<u>190,329</u>		<u>272,519</u>	
		302,186		447,932	
Liabilities:					
Creditors: amounts falling due within one year	11	<u>(32,626)</u>		<u>(48,169)</u>	
Net current assets			<u>269,560</u>		<u>399,763</u>
Total net assets			<u><u>271,167</u></u>		<u><u>402,441</u></u>
The funds of the charity:	14				
Unrestricted income funds:					
General funds		<u>271,167</u>		<u>402,441</u>	
Total unrestricted funds			<u>271,167</u>		<u>402,441</u>
Total charity funds			<u><u>271,167</u></u>		<u><u>402,441</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 25 September 2024 and signed on their behalf by

Markus Lux
Chair

Statement of cash flows

For the year ended 31 December 2023

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

	2023 £	2022 £
Net (expenditure) / income for the reporting period (as per the statement of financial activities)	(131,274)	11,801
Depreciation charges	1,765	1,339
Decrease / (increase) in debtors	63,557	(131,946)
(Decrease) / increase in creditors	(15,543)	29,043
Net cash (used in) operating activities	(81,495)	(89,763)

	2023 £	2022 £
Cash flows from operating activities		
Net cash (used in) / provided by operating activities	(81,495)	89,763
Cash flows from investing activities:		
Purchase of fixed assets	(695)	(2,843)
Net cash (used in) investing activities	(695)	(2,843)
Change in cash and cash equivalents in the year	(82,190)	92,606
Cash and cash equivalents at the beginning of the year	272,519	365,125
Cash and cash equivalents at the end of the year	190,329	272,519

Analysis of cash and cash equivalents

	At January 1 2023 £	Cash flows £	Other changes £	At 31 December 2023 £
Cash at bank and in hand	272,519	(82,190)	–	190,329
Total cash and cash equivalents	272,519	(82,190)	–	190,329

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 2023

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 £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Gifts and donations	176,998	57,049	234,047	251,979	50,293	302,272
Global Council	15,000	–	15,000	40,000	–	40,000
	191,998	57,049	249,047	291,979	50,293	342,272

Social Innovation Exchange

Notes to the financial statements

For the year ended 31 December 2023

3a Analysis of expenditure (current year)

	Charitable activities							
	Cost of raising funds £	Events and convening £	Knowledge and insights £	Capacity building £	Support costs £	Governance costs £	2023 Total £	2022 Total £
Staff costs (Note 5)	27,900	83,701	83,701	55,800	19,530	8,370	279,002	237,333
Other HR costs	–	–	–	–	–	38,796	38,796	33,508
Professional fees	–	–	–	–	1,020	–	1,020	904
Event costs	16,596	–	–	–	–	–	16,596	16,360
Travel and subsistence	–	12,967	–	–	–	–	12,967	18,106
Office costs	–	–	–	–	–	23,811	23,811	16,815
IT	–	–	–	–	–	2,104	2,104	2,567
Depreciation	–	–	–	–	1,765	–	1,765	1,338
Accountancy, grant audit and IE fees	–	–	–	–	4,260	–	4,260	3,540
	44,496	96,668	83,701	55,800	26,575	73,081	380,321	330,471
Support costs	–	9,301	9,301	7,973	(26,575)	–	–	–
Governance costs	–	25,578	25,578	21,925	–	(73,081)	–	–
	–	–	–	–	–	–	–	–
Total expenditure 2023	44,496	131,547	118,580	85,698	–	–	380,321	–
Total expenditure 2022	40,093	118,147	100,041	72,190	–	–	–	330,471

Social Innovation Exchange

Notes to the financial statements

For the year ended 31 December 2023

3b Analysis of expenditure (prior year)

	Charitable activities						
	Cost of raising funds £	Events and convening £	Knowledge and insights £	Capacity building £	Support costs £	Governance costs £	2022 Total £
Staff costs (Note 5)	23,733	71,200	71,200	47,467	16,613	7,120	237,333
Other HR costs	–	–	–	–	–	33,508	33,508
Professional fees	–	–	–	–	904	–	904
Event costs	16,360	–	–	–	–	–	16,360
Travel and subsistence	–	18,106	–	–	–	–	18,106
Office costs	–	–	–	–	–	16,815	16,815
IT	–	–	–	–	–	2,567	2,567
Depreciation	–	–	–	–	1,338	–	1,338
Accountancy, grant audit and IE fees	–	–	–	–	3,540	–	3,540
	40,093	89,306	71,200	47,467	22,395	60,010	330,471
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	118,147	100,041	72,190	–	–	330,471

4 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2023 £	2022 £
Depreciation	1,765	1,339
Operating lease rentals:		
Property	20,677	8,732
Independent examiner's remuneration (excluding VAT):		
Independent examination and Accounts Preparation	3,550	3,100
	<u>3,550</u>	<u>3,100</u>

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

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	242,201	202,114
Social security costs	21,128	21,556
Employer's contribution to defined contribution pension schemes	15,673	13,663
	<u>279,002</u>	<u>237,333</u>

One employee earned more than £60,000 during the year (2022: one).

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £122,744 (2022: £147,223).

The Executive Board were not paid or did not receive any other benefits from employment with the charity in the year (2022: £nil). No Executive Board member received payment for professional or other services supplied to the charity (2022: £nil).

The Executive Board's expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2022: £nil) incurred by nil (2022: nil) members 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:

	2023 No.	2022 No.
Raising funds	0.5	0.5
Charitable activities	5.0	3.0
Support and governance	0.5	0.5
	<u>6.0</u>	<u>4.0</u>

7 Related party transactions

There were no related party transactions in 2022 (2022: £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	13,972	13,972
Additions in year	695	695
At the end of the year	14,667	14,667
Depreciation		
At the start of the year	11,295	11,295
Charge for the year	1,765	1,765
At the end of the year	13,060	13,060
Net book value		
At the end of the year	1,607	1,607
At the start of the year	2,678	2,678

All of the above assets are used for charitable purposes.

10 Debtors

	2023 £	2022 £
Trade debtors	49,057	162,817
Accrued income	62,800	12,596
	111,857	175,413

11 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	4,415	8,407
Accruals	28,211	39,762
	32,626	48,169

12 Pension scheme

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £15,673 (2022: £13,663).

13a Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,607	–	1,607
Net current assets	269,560	–	269,560
Net assets at the end of the year	271,167	–	271,167

13b Analysis of net assets between funds (prior 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

14a 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					
ESIA	–	22,750	(22,750)	–	–
CHESS	–	34,299	(34,299)	–	–
Total restricted funds	–	57,049	(57,049)	–	–
Total unrestricted funds	402,441	191,998	(323,272)	–	271,167
Total funds	402,441	249,047	(380,321)	–	271,167

14b 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					
ESIA	–	50,293	(50,293)	–	–
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

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.

CHESS – is a consortium project designing, implementing and testing a "Social Innovation Action manual" on specific societal challenges in Slovenia, Italy, Lithuania and Greece.

15

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.