



B Lab (UK)

(Incorporated company limited by guarantee)

Report of the Trustees and Financial Statements
For the year ended
31 December 2020

Registered Charity No : 1164694

Registered Company No : 09388752 (England and Wales)

B Lab (UK)

Report of the Trustees for the year ended 31 December 2020

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B Lab (UK)

Report of the Trustees for the year ended 31 December 2020

Reference and Administration

The Trustees have pleasure in presenting their report and the audited financial statements of B Lab (UK) for the year ended 31 December 2020. The accounts have been prepared in accordance with the Companies Act 2011, the accounting policies as disclosed in the notes and the charity's governing document. The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" ("FRS 102 SORP" (second edition)) in preparing the annual report and financial statements of B Lab (UK).

The Directors of the charitable company are its Trustees for the purposes of charity law and constitute the 'Board'. The Trustees' Report also represents the directors' report required by Company Law. The Trustees who have served during the year and since the year end were as follows.

Trustees

Mary Johnstone-Louis – Chair	Appointed 11 February 2021
Charmian Love – Former Chair	Resigned 11 February 2021
Amy Clarke	Appointed 15 July 2020
Mark Cuddigan	
Luke Fletcher	Resigned 15 July 2020
Louise Harman	Appointed 9 September 2020
Alisha Miranda	Resigned 23 April 2020
James Perry	Resigned 15 July 2020
Jason Stockwood	

Company Secretary

Barbara Eze	Appointed 22 October 2020
Louise Harman	Resigned 27 February 2020

Executive Staff

Chris Turner	Executive Director
James Ghaffari	Director of Certification
Tom Kelman	Interim Director of Finance & Operations (from 15 February 2021 to 13 July 2021)
Eilish Kavanagh	Director of Finance & Operations (from 14 July 2021)
Tom Poldre	Director of Marketing & Communications (to 31 March 2021)
Kate Sandle	Director of Programmes & Engagement

Charity and Company Information

Its primary charity and company information is as follows.

Principal address and registered Office

20-30 Whitechapel Road
London E1 1EW

Bankers

HSBC
39 High Street
Ashford
Kent TN24 8TG

Solicitors

Bates Wells
10 Queen Street Place
London EC4R 1BE

Auditors

WMT Chartered Accountants
Verulam Point, Station Way
St Albans,
Hertfordshire AL1 5HE

Website: www.bcorporation.uk

Registered Company No: 09388752 (England and Wales)
Registered Charity No: 1164694

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Report of the Trustees for the year ended 31 December 2020

Structure, Governance and Management

Objectives and public benefit

As set out in the Articles of Association, B Lab (UK) exists to further the following objects for the public benefit:

1. To advance the education of the public in subjects relating to sustainable development and sustainable business and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large;
2. To promote sustainable development for the benefit of the public by:
 - 2.1 the preservation, conservation and the protection of the environment and the prudent use of resources; and
 - 2.2 the promotion of sustainable means of achieving economic growth and regeneration.

“Sustainable development” means development which meets the needs of the present without compromising the ability of future generations to meet their own needs.

3. To promote compliance with the law and ethical standards of conduct, including without limitation by encouraging the adoption and application of high standards of business ethics and governance and thereby
 - 3.1 maximising the material positive impact of business activities on people and the environment affected by such activities; and
 - 3.2 minimising the negative effects of business activities on people and the environment affected by such activities.

Corporate Governance and decision making

B Lab (UK) was incorporated as a company limited by guarantee in England & Wales on 14 January 2015 and registered as a charity with the Charity Commission for England and Wales on 3 December 2015.

The licensing arrangements with B Lab Global, the organisation supporting the global development of the B Corp movement, state that royalty fees of 10% of all non-philanthropic income generated by B Lab (UK) is paid to B Lab Inc to support back-office development of the global movement. This agreement is being reviewed in 2021.

The Trustees are appointed through recommendation based on knowledge of and commitment to the aims of the charity. Decisions are taken in the following way:

- The Board of Trustees approves strategy / policy and budget considerations and delegates operational authority to staff.
- The Executive Team led by the Executive Director, decides on day-to-day management of the charity and its activities, its outreach, its programme development, and prepares all papers and strategy documents for Board approval.
- The Board decides on the level of pay for the Executive Director. Decisions on the pay of other staff are based on a) an ability to pay and b) an ability to attract key staff. Pay levels are relatively flat and range from £30,000 - £60,000 across the team in 2020. There is no payment made to Trustees for their work.

The Trustees are aware of the principles and recommended practice for good governance set out in the Charity Governance Code for charities which was revised and issued in December 2020. The trustees have regard to the Charity Commission's guidance on public benefit. The Trustees will be discussing the Code's principles and recommended practice in 2021 and will make well-considered decisions about how these should be presented. The Trustees have already commenced a review of policies to establish key policies including the following.

- Formally documenting the charity's Scheme of Delegation.
- Revising the charity's reserves policy considering the rate of growth in the charity's activities; the establishment of a deferred income accounting policy in 2019; the change in its pricing structure introduced in April 2021.
- Establishing an Investment Policy and Treasury Policy, due to an increase over the last two years in free cash reserves calculated after excluding deferred income accrual which is non-refundable.

Report of the Trustees for the year ended 31 December 2020

Risk Management and Internal Control

The Trustees have given consideration to the major risks to which the charity is exposed and have satisfied themselves that systems and procedures have been established to manage these risks. The major risks may be summarised as follows along with the likelihood of them occurring and the steps taken to mitigate against each risk.

Financial Risk	Likelihood	Mitigation
Number of companies certifying as B Corps do not reflect budgeted	Medium	• Business development strategy is to back many companies simultaneously • Actively encourage new companies to use the BIA • Work with partners who have access to interested companies
Existing B Corps are not able to pay their annual fees particularly considering the pandemic	Medium-High	• Increased debt management processes with weekly reporting to SMT • Aged debtor tracking process • Keep closely informed about companies
Costs of delivery of B Corp programme rise	Medium	• Standardise process and systematise our work to reduce these costs on time and resources.
Exchange rate uncertainty for royalty fees paid in dollars	Medium	• Budgeted on various scenarios and have put aside reserves throughout the year as cost of sales item
Non-financial risks	Likelihood	Mitigation
Back-office support insufficient for demand	Medium	• Tracking capacity and taking remedial action in advance. • Recruitment plan deployed over 2020 to build capacity.
Larger companies struggle to become B Corps owing to complexity / perceived risk of the process	Medium - High	• Forecasted income from these companies is realistic • Developing a range of support and product offerings for larger companies going through the process
Reputation damage e.g. through poor performing B Corp	Low - medium	• Due Diligence processes in place; recertification required every 3 years; • Keeping close contact with our community to know our own B Corps and address challenges; • Early response to potential issues flagged up with Standards Team; • Good communications around the B Corp movement globally • Verification checks and on site reviews carried out mitigate this risk.

B Lab (UK)

Report of the Trustees for the year ended 31 December 2020

Review of Activities and Achievements

Activities

All the activities of B Lab (UK) support the above objects.

From time to time the Trustees of B Lab (UK) have formally reviewed the activities of B Lab (UK) and are of the view that any private benefit arising from the certification scheme could be considered as a means of furthering the objects and that any private benefit is necessary and incidental. The Trustees of B Lab(UK) will continue to keep this under review.

We achieve our purpose to advance the education of the public in subjects relating to sustainable development and sustainable business by the following activities.

- Hosting, contributing to and running educational workshops, round tables, seminars about B Corp methodology, the role of corporate governance and sustainable business. Through these, B Lab (UK) builds awareness and understanding of how businesses can solve environmental and social problems, creating opportunity for best practice creation and sharing. B lab (UK) produces accessible materials, such as best practice guides, relating to social and environmental problems that businesses tackle and how to participate in building a more sustainable and fairer economy. B Lab (UK) also uses its own data and evidence to show the extent to which B Corps are performing across key metrics in comparison to other benchmarks which are used in press releases and media articles.
- Hosting regional and virtual activities to ensure our vision and community grows across the UK. To this end, we have been developing our B Leaders training programme, which is open to all interested parties, to create an “army of champions” who are trained to help leaders of businesses build in their environmental and social impact into their core business planning, strategy and measurement. Our B Leaders become advocates themselves by hosting workshops and seminars in their own locations, educating business leaders and employees in how impact management across all activities fits with the Sustainable Development Goals and other global initiatives.
- Creating opportunities to enter into debate about the future of business in a world with critical resource issues and growing inequality. We have a very positive message to bring to the discussion about how businesses can be a positive contributor to society and our methodology provides colour and depth to the limitations of the indicator that is GDP; both companies and society increasingly are focusing on this broader measure of business activity. At B Lab, we are working with an ever-wider range of businesses and networks to share messages with the general public on businesses’ role in creating a future within our means and that is focused on fairness and respect for people and the planet.
- Identifying and then working with others to deliver our vision and practical approach to our target audience. These include entrepreneurs, financiers and investors (institutional, angel, others), academics, students, public bodies, umbrella organisations, think and do tanks, research bodies, civil society organisations and social enterprise networks and the general public through our communications and awareness raising activities.
- Contributing to and disseminating the growing body of academic, technical, and practical knowledge and research in the field of social and environmental measurement and reporting. Engaging in the research and opportunities that are currently ongoing or arising, to ensure that we can contribute to informed thinking around this. B Lab (UK) has developed strong relationships with most of the top universities (especially management and business schools) and regularly presents on the B Corp model and its vision for an inclusive form of capitalism. These partnerships with Universities and Business Schools in England and Wales enable us to share and develop this knowledge and research. B Lab (UK) continues to explore partnership opportunities on B Corps’ role as contributors to the United Nations’ Sustainable Development Goals (SDGs) and on the opportunities and challenges faced by growing businesses as they balance their financial and sustainable goals.

Activities (continued)

- Providing a regular set of opportunities for the leaders of B Corps to inspire and advocate their ethos as a business to their customers, suppliers, communities, and the wider public. Their message explains from a first-hand perspective, the positive effect on people, communities, and environment that they can touch through their operations.
- Developing a campaign and establishing a dedicated website **Better Business Act** launched in March 2021 to implement changes to the Companies Act (section 172) which seeks to embed the commitment to running all businesses for the benefit of all, not just for shareholders. This activity is undertaken in the context of supporting the delivery of B Lab (UK)'s charitable purposes of advancing the education of the public in sustainable development and sustainable business by educating the public and policy makers about how purpose can be embedded in governance. The campaign is also focused on educating policy makers about how B Corps can be used as a model for change in governance policy. The trustees have considered Charity Commission guidance CC9 and consider the campaign to be an effective way of furthering or supporting B Lab (UK)'s purpose of advancing education.
- Educate the public at large on the ability of businesses to pursue social and environmental oriented goals by sharing best practice and practical experience of trying to be better stewards of resources.

In order to support this work, we also engage in operational activities to support any organisation interested in "Measuring What Matters" with a comprehensive set of tools, masterclasses, peer support, and best practice exchange - all with the aim of spreading the word widely and embedding more deeply into organisations a sustainable approach to business.

We achieve our purpose to promote sustainable development for the benefit of the public by undertaking the following.

- Developing a campaign to implement changes to the Companies Act (section 172) which would embed the commitment to running businesses for the benefit of all, not just for shareholders. This activity is undertaken in the context of supporting the delivery of B Lab (UK)'s charitable purposes of promoting sustainable development because in order to create more sustainable companies, those companies need to minimise negative externalities. The proposed amendment to the Companies Act which makes it mandatory for all businesses to be triple bottom line is one of the most important means for the economy to become more sustainable. Having considered the Charity Commission guidance CC9, the trustees consider the campaign to be an effective way of furthering or supporting B Lab (UK)'s purposes of promoting sustainable development.
- Identifying those businesses that are "best in class" in creating positive social and environmental impact. This has at least two effects: a) the certification as a B Corp enables the public to make informed choices on which businesses to support (as a customer, employee, supplier, for example) and b) it helps raise the standards for other businesses who see the competitive advantage and social benefit created through committing to run a business for broader stakeholder benefit.
- Encourage wide use of the freely available B Impact Assessment tool (BIA) as a road map for creating positive impact within their organisations. Recording performance over time forms the basis of our evidence of impact both on the company and on individuals' lives, communities and the environment over time; the standards used within the B Impact Assessment for measuring and promoting various social impacts are directed towards our charitable purposes set out above.
- Supporting all companies, charities and umbrella organisations, (not just those that will proceed towards certification), to "Measure What Matters" and in so doing, to begin the journey towards maximising their material positive impact on the general public and the planet.
- Expanding our case studies and examples of best practice from our community of UK B Corps as a beacon and inspiration for others to follow suit.

Activities (continued)

- Providing a range of opportunities for the general public including individuals, businesses, students, and customers to meet the B Corps and hear the principles of their business values.

All our activities support our third object, namely, to promote compliance with the law and ethical standards of conduct by maximising the material positive impact of business activities on people and the planet and minimising their negative activity. In particular, our campaign to implement changes to the Companies Act (section 172) which would embed the commitment to running all businesses for the benefit of all, not just for shareholders. This activity is undertaken in the context of supporting the delivery of B Lab (UK)'s charitable purposes of promoting compliance with the law and ethical standards of conduct by creating the governance to enable our system to go beyond the minimum requirements and to form the most ethical governance for companies to operate and comply with the law.

Rationale

We aim to redefine success in business and to promote sustainable development widely across UK institutions and organisations. We seek to create a change in the way business operates for a greater good for all, rather than just the interests of shareholders, and in so doing, bring positive impact to citizens, to communities and to the environment. This urgent need is clearly recognised now amongst a wider range of stakeholders but there are systems in place that make change hard. Our work offers an alternative way of doing business, by providing a clear road map for change (using the B Impact Assessment tool) so that trust in business can be rebuilt over time. We recognise that whilst there will always be leaders who will forge ahead with new approaches, it will take considerably longer for the systemic barriers to be lifted to achieve our end goal – namely, for the broader stakeholder approach to business eventually to become the “de facto” way of doing business. Our end goal is to maximise the material positive impact of business activities on the general public and the environment and minimise the negative effects.

One significant route for promoting sustainable development for the benefit of the public is through the ever-growing number of entrepreneurs and established businesses who certify their businesses as B Corps because they run their businesses according to the highest ethical standards of conduct. These businesses exemplify the material positive impact of B Corps, and helps consumers, clients, and potential employees distinguish good practice from good marketing within a company. By maximising the material positive impact of business activities on people and the environment, this creates a momentum for lasting change in the way capitalism distributes its proceeds for the benefit of all.

Achievements and performance

By the end of 2020, the UK B Corp community had grown to 360 B Corps (and counting), representing 48 industries with a combined revenue of £4.3 billion and over 22,000 employees. Additionally, we have built an extensive pipeline of interested companies (12,698 companies) who are using the BIA and progressing towards certification – and are therefore “Measuring What Matters”. Whilst we realise that many of these companies in the pipeline will need considerable time and support to progress towards certification, their progress is an important indicator of success of our work and we include this as one of our Key Performance Indicators (see below).

We see ourselves as very complementary with the many other organisations operating in this sphere and have a concrete tool (the B Impact Assessment), pathway (towards certification, with score improvement) and tailored support (through our B Leaders programme and other support, seminars, masterclasses etc) and a vision of how the future could look if the potential of businesses to create positive impact is maximised. We have been grateful to have received a wide range of support, promotion, media coverage, personal recommendations, endorsements by companies, enquiries and feedback from academics, businesses, lawyers, and policy makers on our work. These lead us to believe that we are making a difference that can be clearly translated into public benefit, as we play our part to see society and business move towards a much greater alignment of interest.

Our rationale for this is that:

- the more companies that are verified as operating to the standard of the B Corp certification, the more material positive impact on people and the environment is created and this has public benefit; and
- the more we have advanced the education of the public in subjects relating to sustainable development and sustainable business, the more likely we are to have helped shape the current and future activities of entrepreneurs, consumers, policy makers of today and tomorrow.

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Measurements of success in 2020

The following key performance indicators are used to assist us to mentor our progress towards achieving our objectives.

Key Performance Indicator	By end of 2018	By end of 2019	By end of 2020
Number of B Corps certified in the UK	178	272	360
Average number of new accounts created each week	Between 30-40	Between 50-60	Approximately 95
Number of organisations interested in measuring their impact on people and the planet through the B Impact Assessment tool (in our “pipeline”)	3,325	6,961	12,698
Events, discussions, socials that we hold across the UK	8 B Socials, 4 CEO events, 3 Learn to Bs, 1 retreat, 1 B Leaders course and 1 BD Bootcamp	7 B Socials, 2 B Leaders courses, 1 B Inspired event with over 600 attendees	23 Events (many virtual due to COVID), including community and training events.
Website hits:	34,617	56,572	134, 252

Financial review

For the year ended 31 December 2020 B Lab (UK) had surplus income over expenditure of £198,752. Funds of the charity at 31 December 2020 were £452,406, £361,052 of which were unrestricted and £91,354 restricted.

Grants, donations and gifts in kind were 24% of total revenue of £1,210,340 (2019: 6.5% of £847,485). Our income earned from charitable activities has increased by 24% to £919,142 from £740,105 (2019: 64%). All expenditure is related to charitable activities.

As a licensee of B Lab Inc (US), the non-profit making organisation supporting the global development of the B Corp movement, royalty fees are paid at 10% of all income generated by B Lab (UK). The verification fees are for randomly selected on site or virtual visits to certified B Corps to ensure rigorous application of standards. B Lab UK ensures that it allows for exchange rate fluctuation in its budget.

Reserves policy

The current reserves policy is to hold a minimum of 6 months predicted regular unrestricted expenses. The unrestricted reserves at 31 December 2020 of £361,052 represents approximately 5.5 months' unrestricted expenditure, so this falls slightly short. The Trustees are reviewing this policy in light of the change in accounting policy with regard to deferred income, the rapid growth in demand from UK organisations seeking to become B Certified, and the change in pricing structure from April 2021. The Trustees are also in the process of establishing an Investment Policy and a Treasury Policy at the same time.

Fundraising

All fundraising activity is undertaken internally and is aimed at funding specific projects. No complaints about fundraising have been received.

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Report of the Trustees for the year ended 31 December 2020

Looking Forward: Plans for Future Period

In 2021, in delivering on its ambitions and in mitigation of the risks listed above, B Lab (UK) intends to:-

- a) Continue to support all UK B Corps as they go through their recertification process (every 3 years) to ensure these businesses remain committed to running the company for the broader benefit of all not just for shareholders and that the concept of continuous improvement is deeply embedded throughout the companies. To support this work, we have built an expanded 'Community' team, including dedicated Impact Managers who will work with B Corps to improve their positive social and environmental impact;
- b) Capture the impact that B Corp certification has had on the business and on society and environment more generally; build compelling case studies for wider use on the benefits of B Corp certification;
- c) create a new website to communicate with a range of audiences more effectively about our mission and charitable objects; the benefits of B Corp certification; our latest publications, resources and case studies.
- d) Launch new communications campaigns:
 - a. public policy campaign designed to support the development of government policy that would result in the mainstream adoption of more sustainable business practice. (See e. below)
 - b. business engagement campaign designed to appeal to businesses beyond the B Corp community by capturing excitement surrounding the COP26 climate conference.
- e) Advocate for the UK government to implement changes to the Companies Act (section 172) which would embed the commitment to running all businesses for the benefit of all, not just for shareholders. This activity is undertaken in the context of supporting the delivery of all of B Lab (UK)'s charitable purposes. Having considered Charity Commission guidance CC9, the trustees consider the campaign to be an effective way of furthering or supporting B Lab (UK)'s purposes.
- f) Further deployment of the B Leaders programme to empower more people across the country to advise businesses on positive impact and to act as ambassadors of our charitable mission. This will include more concerted effort for B Leader representation regionally. The programme will shift online to enable greater scale and diversity within cohorts;
- g) Communicate the leadership of the B Corp community in tackling pressing challenges such as climate change, by highlight the urgency required and amplifying best practice in B Lab publications
- h) Continue to build momentum and product offerings around the B Corp agenda and its tools, B Impact Assessment (BIA) with that of the United Nations' Sustainable Development Goals (SDGs) by promoting the SDG Action Manager, in particular participating in global campaigns linked to the UN General Assembly week in September;
- i) Explore with local and central government the opportunity to use the BIA tool as a mechanism for procurement decisions in line with the Social Value Act (UK) and the Wellbeing of Future Generations Act (Wales). These acts focus on the broader public benefit of any procurement decision;
- j) build deeper partnerships with other organisations who have a similar end goal or whose work complements ours and vice versa

All of these activities and plans are consistent and reinforce our charitable objects for the public benefit.

Statement of Trustees Responsibilities

The trustees (who are also the directors for the purpose of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees must prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgments and accounting estimates that are reasonable and prudent;

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d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees 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.

The trustees confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

This report was approved by the Board of Directors on 8th Sept 2021:

Chair



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF B LAB (UK)

Opinion

We have audited the financial statements of B Lab (UK) (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Accounts including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for company law purposes, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF B LAB (UK)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and the Charity SORP.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include health and safety legislation, employment law and data protection.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

B Lab (UK)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF B LAB (UK)

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Elizabeth Irvine (Senior Statutory Auditor)



For and on behalf of

WMT- Chartered Accountants and Statutory Auditor

Verulam Point
Station Way
St Albans
Hertfordshire
AL1 5HE

Date 16 September 2021

Statement of Financial Activities (Incorporating income and Expenditure Account)

For the year ended 31 December 2020

B Lab (UK)

	Notes	Unrestricted £	Restricted £	Total 2020 £	Unrestricted £	Restricted £	Total 2019 £
Income and Endowments from:							
Donations and Legacies	2	8,759	282,439	291,198	9,884	45,126	55,010
Charitable Activities	2	919,142	-	919,142	740,105	-	740,105
Other Trading Activities	2	-	-	-	52,370	-	52,370
Total		927,901	282,439	1,210,340	802,359	45,126	847,485
Expenditure on:							
Charitable Activities	3	(793,147)	(218,441)	(1,011,588)	(648,906)	(109,928)	(758,834)
Total		(793,147)	(218,441)	(1,011,588)	(648,906)	(109,928)	(758,834)
Net income/(expenditure)		134,754	63,998	198,752	153,453	(64,802)	88,651
Transfers between funds		-	-	-	(1,428)	1,428	-
Net Movement in Funds		134,754	63,998	198,752	152,025	(63,374)	88,651
Reconciliation of Funds							
Funds brought forward		226,298	27,356	253,654	74,273	90,730	165,003
Funds carried forward		361,052	91,354	452,406	226,298	27,356	253,654

Balance Sheet

For the year ended 31 December 2020

B Lab (UK)

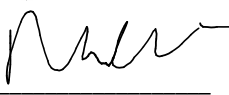
	Notes	Unrestricted £	Restricted £	Total 2020 £	Unrestricted £	Restricted £	Total 2019 £
Fixed Assets:							
Tangible assets	5	4,961	-	4,961	3,101	-	3,101
Total Fixed Assets:		4,961	-	4,961	3,101	-	3,101
Current assets:							
Debtors	6	292,834	32,173	325,007	158,002	35,000	193,002
Cash at bank and in hand		772,252	69,801	842,053	617,085	(2,203)	614,882
Total Current assets:		1,065,086	101,974	1,167,060	775,087	32,797	807,884
Liabilities							
Creditors: Amounts falling due within one year	7	708,995	10,620	719,615	551,890	5,441	557,331
Net current assets		356,091	91,354	447,445	223,197	27,356	250,553
Total net assets		361,052	91,354	452,406	226,298	27,356	253,654
Total funds of the charity							
Restricted funds	8,9	-	91,354	91,354	-	27,356	27,356
Unrestricted funds	8,9	361,052	-	361,052	226,298	-	226,298
Total Funds of the Charity		361,052	91,354	452,406	226,298	27,356	253,654

Registered Charity Number : 1164694, registered Company Number : 09388752

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006. Under Companies Act 2006, Section 454, on a voluntary basis, the trustees can amend these financial statements if they subsequently prove to be defective. The financial statements are prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

Approved by the Board of directors on 8th Sept 2021, and signed on its behalf

Name: Mary Johnstone-Louis Signature: 

Name: Mark Cuddigan Signature: 

Statement of Cash Flows

For the year ended 31 December 2020

B Lab (UK)

	Notes	2020	2019
		£	£
Cash flow from operating activities			
Net cash flow from operating activities	10	230,539	128,539
Cash flow from investing activities			
Purchase of tangible fixed assets	5	(3,368)	(2,723)
Net cash flow from investing activities		227,171	125,816
Change in cash and cash equivalents in the year		227,171	125,816
Cash and cash equivalents brought forward		614,882	489,066
Cash and cash equivalents carried forward		842,053	614,882

Analysis of changes in net debt	At 1 Jan 2020	Cash flows	Non cash changes	At 31 Dec 2020
	£	£	£	£
Cash at bank and in hand	614,882	225,663	1,508	842,053
Loans falling due within one year	-	-	-	-
Loans falling due after more than one year	-	-	-	-
	614,882	225,663	1,508	842,053

Notes to the Accounts

For the year ended 31 December 2020

B Lab (UK)

1. Accounting Policies

Basis of Preparation and assessment of going concern

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) (2nd Edition effective January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Financial Statements have been prepared under the historical cost convention.

The Charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared on the going concern basis. B Lab (UK) has reserves of £452,406 at 31 December 2020 including net current assets of £447,445 and cash at bank of £842,053.

The Trustees have reviewed the financial position of the charity at 31 December 2020 and considered their forecasts in relation to the potential impact of COVID-19 and they consider the charity is a going concern. After review of forecast trustees conclude that there is no material uncertainty about this basis.

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements particularly with respect to the expected significant impact of the Coronavirus pandemic on the charity's income source. The budgeted income and expenditure is sufficient with the levels of reserves for the Charity to be able to continue as a going concern.

Income

All incoming resources are included in the Statement of Financial Activities when the Trust is legally entitled to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

Customers are recertified every three years. In the year that they recertify, income is only recognised if the recertification is successful. Interim annual fees to retain certification (which do not require a certification test) are recognised according to the time period in which the customer has received benefit of certification, to the nearest month. Certification fee income is deferred if it relates to a time period after the year end.

Donated services are included within the accounts at fair value.

Grants Received

Income from grants and donations is recognised where the charity is entitled to the income, it is probable that the income will be received and the amount receivable can be quantified. Where there are specific terms or conditions attached to grants and donations, these must be met before the income is recognised. Where terms or conditions have not been met or uncertainty exists as to whether they can be met then the relevant income is not recognised in the year but is deferred and shown on the balance sheet as deferred income receivable.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis.

Unrestricted Funds

General unrestricted funds represent unrestricted income which is expendable at the discretion of the Trustees.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Charitable activities

Costs of charitable activities include governance costs and support costs. Salary costs are apportioned to governance costs depending on time spent by staff on governance matters.

Tangible fixed assets and depreciation

The cost or valuation of tangible fixed assets is their purchase cost or valuation, together with any incidental expenses of acquisition. Only tangible assets with a cost of over £200 will be capitalised.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned, as follows:

Computer and Office Equipment: 4 years

Debtors

Short term debtors are measured at transaction price, less any impairment losses.

Creditors

Short term creditors are measured at the transaction price.

Financial Instruments

The Charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as debtors and creditors. Financial instruments are initially measured at transaction value. They are assessed at the end of each report period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the SOFA.

Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. The nature of estimation means the actual outcomes could differ from those estimates. There are no judgments made that have a significant effect on the amounts recognised in the financial statements.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member.

Trustee expenses and remuneration

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind. During 2020 two trustees had travel expenses reimbursed of £1,377 and £3,118 (2019: two trustees, £2,204 and £1,462).

2. Income

(a) Income from Donations and Legacies

	Unrestricted	Restricted	Total 2020	Unrestricted	Restricted	Total 2019
	£	£	£	£	£	£
Grants	-	176,202	176,202		45,126	45,126
Donations	8,759	106,237	114,996	9,884		9,884
Total Income from Donations and Legacies	8,759	282,439	291,198	9,884	45,126	55,010

Donated services

In 2020, an amount of £227 was received as donated services from Leap Media Ltd for design consultancy (2019: £3,364).

Details of Restricted Income

Thirty Percy

In 2017 a grant of £50,000 was received from the Thirty Percy Foundation to develop partnerships in Europe over a three year period. In 2019 a further £10,000 was received for the same purpose and in 2020 a further £5,000.

Friends Provident

In 2019 a grant of £75,000 was agreed from Friends Provident Foundation. The grant will be spread over a period of 3 years to 30th September 2021. An amount of £25,000 was received in 2020 that has been attributed to 2020 income. A further £15,000 is expected in 2021.

Climate Task Force

The Climate Task Force project is a collaboration between the B Lab companies across the world in driving change to improve social corporate responsibility and the environment. During 2020 B Lab Company Inc gave a grant of £25,923 and a private donation was received of £50,000, both for the purposes of this project. The B Lab companies across the world have contractual commitments to B Lab Company Inc but are not linked to each other or B Lab Inc in a legal structure.

Project Portal

Project Portal is a project carried out by B Lab Company Inc to which B Lab (UK) contributed via donations and advertising. An amount of £48,237 was received from private donations which included donations from two trustees, totalling £42,237. £8,000 was received from the Stewardship Foundation and £10,000 from B Lab Company Inc.

ALV Stiftung

In 2020, a grant of £60,279 (€68,000) was received from a German foundation, ALV Stiftung, to further education on sustainable development by exploring the opportunities to develop the B Corp movement in Germany. B Lab UK paid €64,700 to B Lab Europe to assist in delivery of the project.

(b) Income from Charitable Activities

	Unrestricted	Restricted	Total 2020	Unrestricted	Restricted	Total 2019
	£	£	£	£	£	£
Certification fees	895,743	-	895,743	567,989	-	567,989
B Corp retreat	-	-	-	89,275	-	89,275
B Leaders	15,998	-	15,998	17,560	-	17,560
B together	-	-	-	715	-	715
Other income: consultancy, workshops and promotional items	7,401	-	7,401	64,566	-	64,566
Total Income from Charitable Activities	919,142	-	919,142	740,105	-	740,105

(c) Income from other trading activities

	Unrestricted	Restricted	Total 2020	Unrestricted	Restricted	Total 2019
	£	£	£	£	£	£
Sponsorship	-	-	-	52,370	-	52,370
Total Income from other trading activities	-	-	-	52,370	-	52,370

3. Charitable Expenditure

	Unrestricted	Restricted	Total 2020	Unrestricted	Restricted	Total 2019
	£	£	£	£	£	£
Operation of certification program						
Community	14,541	-	14,541	95,044	-	95,044
Product Development	83,993	-	83,993	13,890	37,134	51,024
Communications	6,990	-	6,990	1,064	1,800	2,864
Business Development	9,771	-	9,771	356	-	356
Consulting	38,011	-	38,011	53,060	461	53,521
Marketing	5,615	-	5,615	17,732	7,300	25,032
Total Operation of certification program	158,921	-	158,921	181,146	46,695	227,841
Grants						
B Lab Company Inc for Project Portal	-	37,237	37,237	-	-	-
B Lab Europe	-	60,279	60,279			
Total grants	-	97,516	97,516	-	-	-
Total Direct costs of charitable activities	158,921	97,516	256,437	181,146	46,695	227,841
Support Costs						
Programme royalty, verification and referral fees	169,033	-	169,033	179,531	-	179,531
Salaries, pension & Er's NIC's	379,932	25,000	404,932	174,145	30,589	204,734
Staff costs - training and development	7,273	-	7,273	478	-	478
Depreciation	1,509	-	1,509	694	-	694
IT	4,989	-	4,989	2,913	-	2,913
Rent	24,295	-	24,295	28,275	-	28,275
Conference Fees	6,069	-	6,069	11,097	-	11,097
General Office Expenses	8,696	-	8,696	8,712	-	8,712
Bad debt charge	5,000	-	5,000	35,000	-	35,000
Accountancy and payroll costs	11,535	-	11,535	9,442	-	9,442
Consultancy	5,425	95,925	101,350	-	32,644	32,644
Total Support Costs (excl governance costs)	623,756	120,925	744,681	450,287	63,233	513,520
Governance costs						
Salaries, pension and Er's NIC's	-	-	-	6,828	-	6,828
Audit fees	9,312	-	9,312	8,837	-	8,837
Legal Fees	1,158	-	1,158	1,808	-	1,808
Total Governance costs	10,470	-	10,470	17,473	-	17,473
Total Support Costs (including governance costs)	634,226	120,925	755,151	467,760	63,233	530,993
Total cost of charitable activities	793,147	218,441	1,011,588	648,906	109,928	758,834

Audit fees for 2020 were £9,000 + VAT. An amount of £312 relates to Independent Examiners fees for 2019.

An amount of £nil (2019: £918) was paid to the auditors for tax advice, which is included in Legal Fees.

4. Employee costs

	Unrestricted	Restricted	Total 2020	Unrestricted	Restricted	Total 2019
	£	£	£	£	£	£
Salaries	339,815	22,196	362,011	155,789	27,895	183,684
Social security costs	33,277	2,262	35,539	20,467	2,170	22,637
Pension costs	6,840	542	7,382	4,716	524	5,240
Total Employment Costs	379,932	25,000	404,932	180,972	30,589	211,561

Employment Information

Key management personnel compensation	96,837	68,284
Average number of employees during the period:	8	5

In 2020, one employee received total remuneration between £80,000 and £90,000 (2019: one employee £60,000 to £70,000)

5. Fixed assets

	Computer Equipment 2020	Fixtures and Fittings 2020	Total 2020
	£	£	£
Computer Equipment			
Cost			
Opening balance	5,384	-	5,384
Additions	1,834	1,534	3,368
Closing balance	7,218	1,534	8,752
Depreciation			
Opening balance	2,283	-	2,283
Depreciation charge for the year	1,428	80	1,508
Closing balance	3,711	80	3,791
Net book value 31 December 2020	3,507	1,454	4,961
Net book value 31 December 2019	3,101	-	3,101

All fixed assets belong to unrestricted funds.

6. Debtors

	Unrestricted	Restricted	Total 2020	Unrestricted	Restricted	Total 2019
	£	£	£	£	£	£
Trade debtors	290,578	16,870	307,448	145,802	-	145,802
Prepayments and Accrued Income	-	15,303	15,303	10,000	35,000	45,000
Other debtors	2,256	-	2,256	2,200	-	2,200
Total Debtors	292,834	32,173	325,007	158,002	35,000	193,002

7. Creditors

	Unrestricted	Restricted	Total 2020	Unrestricted	Restricted	Total 2019
	£	£	£	£	£	£
Trade creditors	90,396	-	90,396	73,963	3,000	76,963
Accruals and deferred income	579,640	10,620	590,260	436,136	2,441	438,577
Taxation and Social Security	38,959	-	38,959	41,791	-	41,791
Total Creditors	708,995	10,620	719,615	551,890	5,441	557,331

Deferred income and accruals analysis

	£
Deferred income balance 1 Jan 2019	188,729
Release: certification fee income invoiced in 2018 but relating to 2019	(188,729)
Deferral: certification fee income invoiced in 2019 but relating to 2020	406,365
Deferred income balance 31 Dec 2019	406,365
Release: certification fee income invoiced in 2019 but relating to 2020	(406,365)
Deferral: certification fee income invoiced in 2020 but relating to 2021	554,872
Deferred income balance 31 Dec 2020	554,872
Accruals	35,388
Total accruals and deferral income at 31 December 2019	590,260

8. Reconciliation of Funds

2020	Friends Provident £	Climate Taskforce £	Santander £	Thirty Percy £	Project Portal £	ALV Stiftung £	Total Restricted	Unrestricted £	Total 2020 £
Balance b/f	-	-	-	27,356	-	-	27,356	226,298	253,654
Income	25,000	75,923	50,000	5,000	66,237	60,279	282,439	927,901	1,210,340
Expenditure	(25,000)	(33,449)	-	(33,476)	(66,237)	(60,279)	(218,441)	(793,147)	(1,011,588)
Transfers between funds	-	-	-	-	-	-	-	-	-
Total funds	-	42,474	50,000	(1,120)	-	-	91,354	361,052	452,406

2019 comparative	Friends Provident £	Scotland Can Be £	Thirty Percy £	Total Restricted	Unrestricted £	Total 2019 £
Balance b/f	-	40,730	50,000	90,730	74,273	165,003
Income	35,000	126	10,000	45,126	802,359	847,485
Expenditure	(35,000)	(42,284)	(32,644)	(109,928)	(648,906)	(758,834)
Transfers between funds	-	1,428	-	1,428	(1,428)	-
Total funds	-	-	27,356	27,356	226,298	253,654

9. Analysis of Funds

2020	Friends Provident £	Climate Taskforce £	Santander £	Thirty Percy £	Project Portal £	ALV Stiftung £	Total Restricted	Unrestricted £	Total 2020 £
Fixed Assets	-	-	-	-	-	-	-	4,961	4,961
Debtors	6,250	25,923	-	-	-	-	32,173	292,834	325,007
Cash at bank	(6,250)	27,171	50,000	(1,120)	-	-	69,801	772,252	842,053
Creditors	-	(10,620)	-	-	-	-	(10,620)	(708,995)	(719,615)
Total funds	-	42,474	50,000	(1,120)			91,354	361,052	452,406

2019 comparative	Friends Provident £	Scotland Can Be £	Thirty Percy £	Unrestricted £	Total 2019 £
Fixed Assets	-	-	-	3,101	3,101
Debtors	35,000	-	-	158,002	193,002
Cash at bank	(32,000)	-	29,797	617,085	614,882
Creditors	(3,000)	-	(2,441)	(551,890)	(557,331)
Total funds	-	-	27,356	226,298	253,654

Details of Restricted Funds

Thirty Percy

The Thirty Percy Foundation, alongside a private donation, are supporting a three year program to build a portfolio of philanthropic partners to raise funds for B Lab's five year strategy. The program will finish in 2021.

Friends Provident

The Friends Provident Foundation are supporting marketing costs for B Lab (UK) over a three year period. The grant is paid in arrears in instalments and covers costs such as marketing staff and publicity expenditure. The grant commenced in January 2019 and will finish in September 2021.

Climate Task Force

The Climate Task Force project is a collaboration between the B Lab companies across the world in driving change in various areas. The B Lab companies are linked by their contractual commitments to B Lab Company Inc but are not legally associated with one another.

Santander

Santander are funding the cost of one employee to work on the Climate Task Force project (as described above) from April 2021 to March 2022.

Project Portal

Project Portal is a project carried out by B Lab Company Inc to which B Lab (UK) contributed via donations and advertising. The Project Portal team convened a global group of 300-500 experts in economic systems change in order to co-create a set of 'Imperatives' for an economic system that is regenerative and just. Project Portal then went on to ensure the effective distribution of these principles globally.

ALV Stiftung

In 2020, a grant of £60,279 (€68,000) was received from a German foundation, ALV Stiftung, to further education on sustainable development by exploring the opportunities to develop the B Corp movement in Germany. B Lab UK paid £64,700 to B Lab Europe to assist in delivery of the project.

10. Reconciliation of net movement in funds to net cash flow from operating activities

	2020	2019
	£	£
Net income for the year as per Statement of Financial Activities	198,752	88,651
Adjustment for:		
Depreciation charges	1,508	694
Decrease/(increase) in debtors	(132,005)	(167,195)
Increase/(decrease) in creditors	162,284	206,389
Net cash used in operating activities	230,539	128,539

11. Related Party Transactions

5 trustees are employed by companies that pay the normal membership fee to be part of the certification scheme (2019:4)

Louise Harman and Luke Fletcher, trustees, are both partners in the firm Bates, Wells, Braithwaite LLP, who were paid £695 + VAT for registered office and company secretarial services during 2020 (2019: £599 + VAT).

During the year two trustees made donations of £45,769 (2019: one trustee donation of £10,000)

Heliotropy, a private limited company, received £22,977 from B Lab UK for consultancy on the Climate Task Force. Charmian Love, the Chair of B Lab UK during 2020, is a Director of Heliotropy.

B Lab Company Inc, a US company, charges B Lab UK a royalty fee on income from UK certification fees, and also recharges the costs of some global software licences and similar costs. The B Lab companies are linked by their contractual commitments to B Lab Company Inc but are not legally associated with one another.

12. Fundraising

B Lab (UK) undertakes no public fundraising activities. All fundraising activity is undertaken internally and is aimed at funding specific projects. No complaints about fundraising have been received.