



B Lab (UK)

(Incorporated company limited by guarantee)

Report of the Trustees and Financial Statements
For the year ended
31 December 2021

Registered Charity No : 1164694

Registered Company No : 09388752 (England and Wales)

B Lab (UK)

Report of the Trustees for the year ended 31 December 2021

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Report of the Trustees for the year ended 31 December 2021

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 2021. 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

Amy Clarke

Mark Cuddigan

Louise Harman

Jason Stockwood

Resigned 18 Nov 2021

Charmian Love

Resigned 11 Feb 2021

James Perry (Observer)

Yeliz Mert (Observer)

Company Secretary

Barbara Eze

Resigned 8 September 2021

Eilish Kavanagh

Appointed 8 September 2021

Executive Staff

Chris Turner

Executive Director

James Ghaffari

Director of Certification

Eilish Kavanagh

Director of Finance & Operations (from 14 July 2021)

Kate Sandle

Director of Programmes & Engagement (to 31 December 2021)

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

to 12 January 2022:

HSBC

39 High Street, Ashford

Kent TN24 8TG to 12 January 2022

From 12 January 2022:

Coutts & Co

440 Strand

London

WC2R 0QS

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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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 under review. Since July 2021 service fees of 5% of all unrestricted non-philanthropic income generated by B Lab (UK) is paid to B Lab Inc with cost-based fees charged per company submitted for certification and other assessments to ensure rigorous application of standards.

The Trustees are appointed through recommendation or open recruitment, 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 annual budget 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 and retain skilled staff. 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 reviewed and established key policies in 2021 including the following.

- 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, and the change in its pricing structure introduced in July 2021.
- 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.

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Risk Management and Internal Control

The Trustees have considered 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 income	Medium	● Business development strategy is to back many companies simultaneously ● Actively encourage new companies to use the BIA ● Have built capacity in team to reduce time taken to certify with increased demand
Existing B Corps are not able to pay their annual fees	Medium	● 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 costs on time and resources.
Non-financial risks	Likelihood	Mitigation
Insufficient staff resource to meet demand	Medium	● Expanded team in 2021 and planned in 2022. ● Tracking capacity and taking remedial action in advance. ● Building infrastructure with growth
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, or controversial activities	Medium	● Due Diligence processes in place; recertification required every 3 years. ● Keeping close contact with our community to know our B Corps and address challenges. ● Early response to potential issues flagged with Standards Team. ● Good communications around the B Corp movement globally ● Verification checks and on site reviews carried out mitigate this risk.

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Report of the Trustees for the year ended 31 December 2021

Review of Activities and Achievements

Activities

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

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 opportunities for best practice creation and sharing. We produce 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. We also use our 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 developed the B Leaders training programme, open to all interested parties, creating an “army of champions” who are trained to help leaders of businesses build 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.
- 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, the 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

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Report of the Trustees for the year ended 31 December 2021

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.

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.

- Campaigning 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.
- 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.

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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 2021, the UK B Corp community had grown to 577 B Corps (and counting), representing 52 industries with a combined revenue of £8.9 billion and over 38,000 employees. Additionally, we have built an extensive pipeline of interested companies (over 21,000 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 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.

Highlights of 2021:

- a) This year’s B Corp Month, held in March 2021, was a resounding success - with over 70% of the UK B Corp community participating. We offered multiple engagement opportunities and themed each week with the B Impact Assessment.
- b) There are now over 700 businesses in the Better Business Act coalition, a growing number of pledges and continued campaigning on our social media channels and in a bi-monthly newsletter. The Better Business Act advocates 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.
- c) Over 5,000 attendees registered for the B Corp Global Climate Summit. The Net Zero event that we held in partnership with B Lab Europe was the second most popular event (captured by post-event feedback from attendees). We received great feedback from attendees on our sessions.
- d) We are working to increase the representation of female and People of Colour-owned businesses, through identifying and exploring relationships with membership organisations, and providing an equity discount to the first certification fee to eligible businesses. We supported a series of awareness-raising events and workshops with the Allbright women’s network and have also been engaging with POC-businesses accelerators such as Foundervine, Hatch Enterprise and the Kings Cross Impact Hub.
- e) Throughout May, June and July, we shared stories about how B Corps are addressing social justice issues and finding new and innovative ways to create an equitable society for all. Topics included climate justice, anti-racism and allyship, and Pride. Anticipating there would be a heavier focus on climate-related topics in the lead up to COP26, it was important to feature stories about the progress B Corps are making in these areas.

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- f) Launched a communications campaign to engage businesses beyond the B Corp community by capturing excitement surrounding the COP26 climate conference, which we attended, hosting three successful events.
- g) In September we launched Boardroom 2030, inviting and equipping businesses to explore what a 2030 future might look like and drawing attention to the changes we must make to our boards today. Our Activation Kits supported businesses to consider what would be on the Board agenda, who would be represented at the table, and how decisions would be made in 2030. In the first month 1,085 activation kits were downloaded.
- h) We ran 3 B Leaders programmes to empower more people across the country to advise businesses on positive impact and to act as ambassadors of our charitable mission. The programme shifted online to enable greater scale and diversity within cohorts. These training programmes were highly in demand, sold out within minutes, and so in 2022 we will re-evaluate the role of training in growing the B Corp community.
- i) Funded by a grant from the Bill Gates Foundation, we built momentum 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.
- j) We launched our new B Lab UK website to communicate with a range of audiences more effectively about our mission, the benefits of B Corp certification, our latest publications, resources and case studies.

Measurements of success in 2021

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

Key Performance Indicator	By end of 2018	By end of 2019	By end of 2020	By end of 2021
Number of B Corps certified in the UK	178	272	360	577
Average number of new accounts created each week	Between 30-40	Between 50-60	Approx. 95	Approx. 160
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	21,269
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	10, including the B Inspired event with over 600 attendees	23 (many virtual due to COVID)	21 events (virtual and f2f), including Climate Summits, 3 B Leader courses, and at COP26
Website hits:	34,617	56,572	134, 252	181,366*

*In December 2021 the global site architecture for B Lab Global / B Lab UK was updated, moving the B Corp directory to a centralised global location. As a result we anticipate around 30% drop in web traffic to B Lab UK in 2022.

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Report of the Trustees for the year ended 31 December 2021

Financial review

For the year ended 31 December 2021 B Lab (UK) had a deficit of £140,392 (2020: surplus of £198,752). Funds of the charity at 31 December 2021 were £312,014 (2020: £452,406), £293,914 (2020: £361,052) of which were unrestricted and £18,100 (2020: £91,354) restricted.

Grants, donations and gifts in kind were 2% of total revenue of £1,624,584 (2020: 24% of £1,210,340). Income earned from charitable activities has increased by 73% to £1,591,154 from £919,142 (2020: 24%). 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 were paid at 10% of all unrestricted income generated by B Lab (UK) until July 2021. From July a service fee was paid at 5% of all unrestricted income plus cost based fees per company submitted for certification and other assessments to ensure rigorous application of standards. B Lab UK ensures that it allows for exchange rate fluctuation in its budget.

Reserves policy

During the year the Trustees reviewed the Reserves Policy taking account of the major risks, the rapid growth in demand from UK organisations seeking to become B Certified, the change in pricing structure from July 2021 and the income receipts which have been deferred under accounting rules.

B Lab UK takes a risk-based approach to reserves so that the Trustees intend to hold a level of reserves, when including the income deferred to the following year, sufficient to meet the estimated financial impact of the most significant risks and provide reasonable flexibility to enable B Lab UK to operate smoothly in the case of unforeseen circumstances.

Based on the current significant risks, the Board aims to maintain unrestricted, free reserves of between £500,000 and £700,000 which represents an equivalent of between 3.6 and 5.1 months of operational costs in 2021. This level of free reserves, when added to the income receipts deferred to 2022 of £995,845, represents a target of 10 months of unrestricted expenditure. The unrestricted free reserves balance on 31 December 2021 of £284,971, plus the income receipts deferred to 2022 of £995,845 amount to £1,280,816 which represents 9.3 months of unrestricted expenditure, and the Trustees consider this sufficient to provide the organisation with reasonable financial flexibility and stability and contribute to longer-term sustainability.

The Board reviews the level of reserves annually, considering the major risks and the level of expenditure, and may decide to adjust the level with the growth expected to ensure that the unrestricted free reserves kept are not insufficient nor excessive.

Fundraising

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

Looking Forward: Plans for Future Period

The Trustees approved a new Business Plan for 2022, aligned with B Lab's global mission of an inclusive, equitable and regenerative economy for all people and our shared planet. We have 3 overarching goals:

- Build a people-powered movement through creating models of a new economic system
- Create the world we need by cultivating and harnessing a community of leaders
- Change the rules – driving change towards the new system at scale

In 2022, in delivering our ambitious goals and in mitigation of the risks listed above, we intend 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.
- b) Grow representation of key sectors and regions and improve the diversity of ownership in the B Corp community by identifying and addressing key barriers to engagement

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- c) Increase the number of large businesses engaging with the B Corp movement through dedicated account management
- d) 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, and support B Corps to set ambitious goals across impact areas, by providing them with inspiration, tools and resources to increase their scores over time.
- e) Continue to 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.
- f) Develop the B Leaders community to empower more people across the country to advise businesses on positive impact and to act as ambassadors of our charitable mission
- g) Communicate the leadership of the B Corp community in tackling pressing challenges such as climate change, by highlighting 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) as well as new product offerings
- i) Increase awareness and drive positive perception, through relevant, timely and credible content, of B Lab, B Corp businesses and the wider B Corp Movement
- j) Drive engagement with the B Corp Movement to demonstrate impact and to inspire change – both through modelling B Corp best practice; and through sharing opinion and knowledge
- k) Build deeper partnerships with other organisations who have a similar end goal or whose work complements ours and vice versa
- l) Continue to build our internal capacity and resources to meet the demand of companies

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;
- 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.

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Report of the Trustees for the year ended 31 December 2021

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:

Date 7 July 2022

Director 

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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 2021 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 2021 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.

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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 judgement 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 behalf of

WMT- Chartered Accountants and Statutory Auditor
Verulam Point
Station Way
St Albans
Hertfordshire
AL1 5HE

Date 20 July 2022

Statement of Financial Activities (Incorporating income and Expenditure Account)

For the year ended 31 December 2021
B Lab (UK)

	Notes	Unrestricted £	Restricted £	Total 2021 £	Unrestricted £	Restricted £	Total 2020 £
Income and Endowments from:							
Donations and Legacies	2	-	33,430	33,430	8,759	282,439	291,198
Charitable Activities	2	1,591,154	-	1,591,154	919,142	-	919,142
Total		1,591,154	33,430	1,624,584	927,901	282,439	1,210,340
Expenditure on:							
Charitable Activities	3	(1,657,172)	(107,804)	(1,764,976)	(793,147)	(218,441)	(1,011,588)
Total		(1,657,172)	(107,804)	(1,764,976)	(793,147)	(218,441)	(1,011,588)
Net income/(expenditure)		(66,018)	(74,374)	(140,392)	134,754	63,998	198,752
Transfers between funds		(1,120)	1,120	-	-	-	-
Net Movement in Funds		(67,138)	(73,254)	(140,392)	134,754	63,998	198,752
Reconciliation of Funds							
Funds brought forward		361,052	91,354	452,406	226,298	27,356	253,654
Funds carried forward		293,914	18,100	312,014	361,052	91,354	452,406

Balance Sheet

For the year ended 31 December 2021
B Lab (UK)

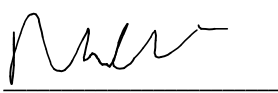
	Notes	Unrestricted £	Restricted £	Total 2021 £	Unrestricted £	Restricted £	Total 2020 £
Fixed Assets:							
Tangible assets	5	8,943	-	8,943	4,961	-	4,961
Total Fixed Assets:		8,943	-	8,943	4,961	-	4,961
Current assets:							
Debtors	6	452,151	-	452,151	292,834	32,173	325,007
Cash at bank and in hand		1,215,279	22,564	1,237,843	772,252	69,801	842,053
Total Current assets:		1,667,430	22,564	1,689,994	1,065,086	101,974	1,167,060
Liabilities							
Creditors: Amounts falling due within one year	7	1,382,459	4,464	1,386,923	708,995	10,620	719,615
Net current assets		284,971	18,100	303,071	356,091	91,354	447,445
Total net assets		293,914	18,100	312,014	361,052	91,354	452,406
Total funds of the charity							
Restricted funds	8,9	-	18,100	18,100	-	91,354	91,354
Unrestricted funds	8,9	293,914	-	293,914	361,052	-	361,052
Total Funds of the Charity		293,914	18,100	312,014	361,052	91,354	452,406

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 7th July 2022, and signed on its behalf

Name: Mary Johnstone-Louis Signature: 

Name: Mark Cuddigan Signature: 

Statement of Cash Flows

For the year ended 31 December 2021
B Lab (UK)

	Notes	2021	2020
		£	£
Cash flow from operating activities			
Net cash flow from operating activities	10	401,810	230,539
Cash flow from investing activities			
Purchase of tangible fixed assets	5	(6,020)	(3,368)
Net cash flow from investing activities		395,790	227,171
Change in cash and cash equivalents in the year		395,790	227,171
Cash and cash equivalents brought forward		842,053	614,882
Cash and cash equivalents carried forward		1,237,843	842,053

Analysis of changes in net debt	At 1 Jan 2021	Cash flows	Non cash changes	At 31 Dec 2021
	£	£	£	£
Cash at bank and in hand	842,053	393,752	2,038	1,237,843
Loans falling due within one year	-	-	-	-
Loans falling due after more than one year	-	-	-	-
	842,053	393,752	2,038	1,237,843

Notes to the Accounts

For the year ended 31 December 2021

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 £312,014 at 31 December 2021 including net current assets of £303,071 and cash at bank of £1,237,843.

The Trustees have reviewed the financial position of the charity at 31 December 2021 and considered their forecasts in relation to the major risks and impact of COVID-19 and they consider the charity is a going concern.

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. 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.

Notes to the Accounts continued

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 £500 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 2021, 3 trustees had travel and subsistence expenses reimbursed of £1,006 in total (2020: 2 trustees £4,495).

Notes to the Accounts continued

2. Income

(a) Income from Donations and Legacies

	Unrestricted	Restricted	Total 2021	Unrestricted	Restricted	Total 2020
	£	£	£	£	£	£
Grants	-	33,430	33,430	-	176,202	176,202
Donations	-	-	-	8,759	106,237	114,996
Total Income from Donations and Legacies	-	33,430	33,430	8,759	282,439	291,198

Details of Restricted Income

Friends Provident

In 2019 a grant of £75,000 was agreed from Friends Provident Foundation. The grant is spread over a period of 3 years to 30th September 2021. An amount of £25,000 was received in 2020 and a further £15,000 was received in 2021.

Bill and Melinda Gates Foundation

An amount of £18,430 was received in 2021 from the Bill and Melinda Gates Foundation to support the development and promotion of the Sustainable Action Goals Action Manager. This is a tool to help businesses progress and track their Sustainable Development Goals.

Donated services

In 2021 no income was received as donated services (2020: £227).

(b) Income from Charitable Activities

	Unrestricted	Restricted	Total 2021	Unrestricted	Restricted	Total 2020
	£	£	£	£	£	£
Certification fees	1,543,417	-	1,543,417	895,743	-	895,743
B Leaders	46,752	-	46,752	15,998	-	15,998
Other income: consultancy, workshops and promotional items	985	-	985	7,401	-	7,401
Total Income from Charitable Activities	1,591,154	-	1,591,154	919,142	-	919,142

3. Charitable Expenditure

	Unrestricted	Restricted	Total 2021	Unrestricted	Restricted	Total 2020
	£	£	£	£	£	£
Operation of certification program						
Programme royalty, verification and referral fees	588,954	-	588,954	169,033	-	169,033
Community	32,256	-	32,256	14,541	-	14,541
Product Development	5,971	-	5,971	83,993	-	83,993
Communications	-	-	-	6,990	-	6,990
Business Development	17,148	-	17,148	9,771	-	9,771
Consulting	-	-	-	38,011	-	38,011
Total Operation of certification program	644,329	-	644,329	322,339	-	322,339
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	644,329	-	644,329	322,339	97,516	419,855
Support Costs						
Salaries, pension, taxes and employee benefits	410,029	46,900	456,929	379,932	25,000	404,932
Staff costs - training and development	3,922	-	3,922	7,273	-	7,273
Subcontractor and other personnel costs	89,905	-	89,905	5,425	95,925	101,350
Marketing	112,534	17,658	130,192	5,615	-	5,615
Campaigns	149,261	37,474	186,735	-	-	-
Depreciation	2,038	-	2,038	1,509	-	1,509
IT	72,805	-	72,805	4,989	-	4,989
Rent	65,508	-	65,508	24,295	-	24,295
Conference Fees	12,764	-	12,764	6,069	-	6,069
General Office Expenses	37,816	5,772	43,588	8,696	-	8,696
Bad debt charge	5,375	-	5,375	5,000	-	5,000
Accountancy and HR costs	16,203	-	16,203	11,535	-	11,535
Total Support Costs (excl governance costs)	978,160	107,804	1,085,964	460,338	120,925	581,263
Governance costs						
Audit fees	10,458	-	10,458	9,312	-	9,312
Legal Fees	1,429	-	1,429	1,158	-	1,158
Other governance costs	22,796	-	22,796	-	-	-
Total Governance costs	34,683	-	34,683	10,470	-	10,470
Total Support Costs (including governance costs)	1,012,843	107,804	1,120,647	470,808	120,925	591,733
Total cost of charitable activities	1,657,172	107,804	1,764,976	793,147	218,441	1,011,588

Audit fees for 2021 were £8,700 + VAT. An amount of £1,758 relates to the audit fees for 2020.

In 2021, the categorisation of expenses within the sub-headings of Charitable Expenditure was reviewed. Marketing costs have been moved from Operation of Certification Program to Support Costs. Programme Royalty, Verification and Referral Fees have moved from Support costs to Operation of Certification Program. Consultancy has been renamed to Subcontractor and Other Personnel Costs.

4. Employee costs

	Unrestricted	Restricted	Total 2021	Unrestricted	Restricted	Total 2020
	£	£	£	£	£	£
Salaries	486,187	43,216	529,403	339,815	22,196	362,011
Social security costs	67,811	2,978	70,789	33,277	2,262	35,539
Pension costs	14,331	706	15,037	6,840	542	7,382
Total Employment Costs	568,329	46,900	615,229	379,932	25,000	404,932

Employment Information

	2021	2020
Key management personnel compensation	£283,283	£96,837
Average number of employees during the period:	14	8

In 2021, key management personnel were considered to be the Chief Executive Officer, the Finance and Operations Director, the Director of Growth and Product, Director of Programmes and Engagement and the Director of Marketing. The Director of Marketing left the charity's employment March 2021 and was replaced by an interim Director (non-employee) who is not included in the total remuneration of key management personnel. In 2020, the key management personnel were considered to be the Chief Executive Officer.

	Number of employees in 2021	Number of employees in 2020
£60,000-£70,000	1	-
£80,000-£90,000	1	1

5. Fixed assets

	Computer Equipment	Fixtures and Fittings	Total
	2021	2021	2021
	£	£	£
Computer Equipment			
Cost			
Opening balance	7,218	1,534	8,752
Additions	6,020	-	6,020
Disposals	(1,038)	-	(1,038)
Closing balance	12,200	1,534	13,734
Depreciation			
Opening balance	3,711	80	3,791
Depreciation charge for the year	1,655	383	2,038
Depreciation eliminated on disposal	(1,038)	-	(1,038)
Closing balance	4,328	463	4,791
Net book value 31 December 2021	7,872	1,071	8,943
Net book value 31 December 2020	3,507	1,454	4,961

All fixed assets belong to unrestricted funds.

6. Debtors

	Unrestricted	Restricted	Total 2021	Unrestricted	Restricted	Total 2020
	£	£	£	£	£	£
Trade debtors	425,604	-	425,604	290,578	16,870	307,448
Prepayments and Accrued Income	14,797	-	14,797	-	15,303	15,303
Other debtors	11,750	-	11,750	2,256	-	2,256
Total Debtors	452,151	-	452,151	292,834	32,173	325,007

7. Creditors

	Unrestricted	Restricted	Total 2021	Unrestricted	Restricted	Total 2020
	£	£	£	£	£	£
Trade creditors	255,685	4,464	260,149	90,396	-	90,396
Accruals and deferred income	1,038,769	-	1,038,769	579,640	10,620	590,260
Taxation and Social Security	88,005	-	88,005	38,959	-	38,959
Total Creditors	1,382,459	4,464	1,386,923	708,995	10,620	719,615

Deferred income and accruals analysis

	£
Deferred income balance 1 Jan 2020	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
Release: certification fee income invoiced in 2020 but relating to 2021	(554,872)
Deferral: certification fee income invoiced in 2021 but relating to 2022	995,845
Deferred income balance 31 Dec 2021	995,845
Accruals	42,924
Total accruals and deferral income at 31 December 2021	1,038,769

8. Reconciliation of Funds

2021	Friends Provident	Climate Taskforce	Santander	Thirty Percy	Gates	Total Restricted	Unrestricted	Total 2021
	£	£	£	£	£	£	£	£
Balance b/f	-	42,474	50,000	(1,120)	-	91,354	361,052	452,406
Income	15,000	-	-	-	18,430	33,430	1,591,154	1,624,584
Expenditure	(15,000)	(42,474)	(31,900)	-	(18,430)	(107,804)	(1,657,172)	(1,764,976)
Transfers between funds	-	-	-	1,120	-	1,120	(1,120)	-
Total funds	-	-	18,100	-	-	18,100	293,914	312,014

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

9. Analysis of Funds

2021	Climate Taskforce	Santander	Total Restricted	Unrestricted	Total 2021
	£	£	£	£	£
Fixed Assets	-	-	-	8,943	8,943
Debtors	-	-	-	452,151	452,151
Cash at bank	4,464	18,100	22,564	1,215,279	1,237,843
Creditors	(4,464)	-	(4,464)	(1,382,459)	(1,386,923)
Total funds	-	18,100	18,100	293,914	312,014

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

Details of Restricted Funds*Bill and Melinda Gates Foundation*

A grant was received in 2021 to support the development and promotion of the Sustainable Action Goals Action Manager. The project was completed in 2021.

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 finished in 2021, combined with a transfer of £1120 from unrestricted reserves.

Friends Provident

The Friends Provident Foundation supported marketing costs for B Lab (UK) over a three year period. The grant was paid in arrears in instalments and covered costs such as marketing staff and publicity expenditure. The grant commenced in January 2019 and finished in September 2021.

Notes to the Accounts continued

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 program was completed in 2021. 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.

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

	2021	2020
	£	£
Net income for the year as per Statement of Financial Activities	(140,392)	198,752
Adjustment for:		
Depreciation charges	2,038	1,508
Decrease/(increase) in debtors	(127,144)	(132,005)
Increase/(decrease) in creditors	667,308	162,284
Net cash used in operating activities	401,810	230,539

11. Related Party Transactions

4 trustees are employed by companies that pay the normal membership fee to be part of the certification scheme (2020:5)

Louise Harman, trustee, is a partner in the firm Bates, Wells, Braithwaite LLP, who were paid £687.50 + VAT for registered office and company secretarial services and £869 + VAT for legal advice during 2021 (2020: £695 + VAT for registered office and company secretarial services).

No trustees made donations during the year (2020 two trustees made donations of a total £45,769)

Heliotropy, a private limited company, received £13,490 from B Lab UK for consultancy on the Climate Task Force (2020: £22,977). Charmian Love, the Chair of B Lab (UK) until February 2021, 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 earned income 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.