

FINANCE INNOVATION LAB

England & Wales · Charity number 1165269

Details

Other names	FILAB; THE LAB
Status	Registered
Legal form	Charitable company
Company number	09380418
Registered	2016-01-22
Register	View on the Charity Commission register

Contact

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Activities

Objects: THE PROMOTION OF ETHICAL PRINCIPLES IN FINANCIAL SYSTEMS FOR THE PUBLIC BENEFIT (INCLUDING BUT NOT LIMITED TO) BY:1. ADVANCING EDUCATION AND PROMOTING RESEARCH INTO THE UK AND INTERNATIONAL FINANCIAL SYSTEMS AND THEIR CONSTITUENT ELEMENTS INCLUDING IN PARTICULAR, AREAS OF CHANGE AND INNOVATION WITHIN THOSE SYSTEMS, EMERGENT TRENDS, NEW FINANCIAL BUSINESS MODELS AND IMPACTS OF INVESTMENTS ON SOCIETY AND THE ENVIRONMENT; AND PUBLISHING OR OTHERWISE DISSEMINATING THE RESULTS OF SUCH RESEARCH AND PROVIDING A FORUM FOR ITS DISCUSSION;2. PROMOTING SUSTAINABLE DEVELOPMENT BY:(A) PROMOTING THE PRESERVATION AND CONSERVATION OF THE NATURAL ENVIRONMENT AND THE PRUDENT USE OF NATURAL RESOURCES AND ECOLOGICAL PROCESSES; AND(B) PROMOTING SUSTAINABLE MEANS OF ACHIEVING ECONOMIC PROGRESS AND REGENERATION.IN THIS CONTEXT, "SUSTAINABLE DEVELOPMENT" MEANS DEVELOPMENT THAT MEETS THE NEEDS OF THE PRESENT GENERATION WITHOUT COMPROMISING THE ABILITY OF FUTURE GENERATIONS TO MEET THEIR NEEDS.3. RELIEVING POVERTY AND IMPROVING THE CONDITIONS OF LIFE IN SOCIALLY AND ECONOMICALLY DISADVANTAGED COMMUNITIES.

Activities: THE FINANCE INNOVATION LAB WORKS FOR A FINANCIAL SYSTEM THAT SERVES PEOPLE AND PLANET - ONE THAT IS DEMOCRATIC, RESPONSIBLE AND FAIR. WE DO THIS BY FINDING, CONNECTING AND BUILDING THE IMPACT OF INNOVATORS, CAMPAIGNERS AND INTRAPRENEURS (PROFESSIONALS SEEKING TO TRANSFORM THEIR ORGANISATIONS).

Classification

- **How:** Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Education/training, The Prevention Or Relief Of Poverty, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- United States
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£859,764	£703,433	£463,810	10
2023-12-31	£833,385	£828,638	£307,479	13
2022-12-31	£802,779	£742,303	£302,732	10
2021-12-31	£562,912	£457,435	£242,256	6
2020-12-31	£412,030	£378,435	-	-

Trustees

Name	Role	Appointed
Alexandria Holly Reid		2026-02-03
Alice Merry		2021-11-03
Caolan James Ward		2026-02-03
David Bartram		2021-11-03
Deborah Jane Ball		2026-02-03
Erinch Sahan		2025-01-28
Frances Louise Eldridge		2025-05-22
Nuria Molina Gallart		2025-01-28
Simon Starling		2025-01-28
Thobeka Petunia Ngcobo		2023-05-23
Thomas Railton		2025-01-28

Accounts



Annual Report and Financial Statements

(A company limited by guarantee)

31 December 2024

Company Registration Number
09380418 (England and Wales)

Charity Registration Number
1165269 (England and Wales)

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References and Administrative Information Year ended 31 December 2024

Trustees	David Bartram (vice-Chair) Christopher (Kit) Beazley (Chair) Katherine Boswell (retired 28 January 2025) Mikael Down Nana Francois (vice-Chair) Alice Merry Emma Faulkner (resigned 3 January 2025) Thobeka Ngcobo (Treasurer) Nuria Molina Gallart (appointed 28 January 2025) Thomas Railton (appointed 28 January 2025) Simon Starling (appointed 28 January 2025) Erinch Sahan (appointed 28 January 2025) Louise Eldridge (appointed 22 May 2025)
Chief Executive Officer	Jesse Griffiths
Principal Address	10 Salamanca Place London SE1 7HB
Company registration number	09380418
Charity registration number	1165269
Independent Examiner	Morris Crocker Station House, 50 North Street Havant PO9 1QU
Principal bankers	Unity Trust Bank PO Box 7193 Planetary Road Willenhall WV1 9DG

The Trustees, who are Directors for the purposes of company law, present the annual report together with the financial statements and independent examiner's report of the charitable company for the year ended 31 December 2024.

The accounts have been prepared in accordance with the accounting policies set out on pages 30 to 32 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in *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 United Kingdom and Republic of Ireland (FRS 102) have been followed in the preparation of this report and accounts.

Our vision

Our vision is a financial system that serves people and planet – one that's democratic, sustainable, just and resilient.

Democratic	a transparent and accountable financial system, where all people can participate in the rule-making and institutions that shape it.
Sustainable	a financial system that helps meet society's long-term needs and supports human flourishing on a thriving planet.
Just	a financial system that promotes diversity and equality and protects human rights.
Resilient	a financial system that provides security and stability for all, and for the real economy.

The need

Our financial system has become disconnected from the real needs of people, the environment, the wider economy and society. Dysfunctions in the financial system lie at the root of today's challenges, from climate change and economic crises, to poverty, marginalisation, vulnerability and inequality.

It doesn't have to be this way. People created the system and people can change it. We can transform the financial system so that it puts people and planet first.

What we do

To build towards our vision, we focus our work in two main areas:

- Economic Justice: Tackling root causes of poverty and inequality in the UK and globally.
- Environmental Justice: Rapidly phasing out finance for fossil fuels and the destruction of nature, and increasing green investment to support a just transition to a more sustainable economy.

What we do (continued)

For each of the two areas, we have identified long-term goals which guide our work:

Economic Justice

1. **Tackling financial exclusion through growing purpose-driven finance.** By 2030, major changes to government policy and regulation drive a significant expansion of the purpose-driven finance sector to meet the needs of people, small businesses and communities who cannot access the financial services and support they need from more mainstream finance institutions.
2. **Tackling the UK's role as a centre for economic crime and tax dodging through increased transparency and accountability.** By 2030, improvements in policy and regulation have helped to make the UK's financial system more transparent and accountable, and have supported global efforts to do the same. This will help to tackle economic crime and tax dodging – both major causes of global inequality and injustice.

Environmental Justice:

1. **Financing the just green transition.** By 2030, financial regulation and policy support and oblige financial institutions to align their strategies, business models and activities with the Paris Climate Agreement and just transition principles.

Standing alongside these goals, we have a fourth goal to **build the collective power of all the groups and organisations working to change the rules of the financial system**. This is crucial for achieving the goals above, but it is also an end in itself as it helps to make the financial system more democratic, accountable and inclusive. It also makes it possible to win increasingly ambitious systemic changes, which are less susceptible to being reversed when the political and economic context changes over time.

Our approach

To change the system, we need to change the rules which shape and govern it. That means we need to see government and regulators taking a more proactive and ambitious approach to financial sector policy and regulation. This includes creating the conditions to grow purpose-driven finance institutions, to shift the policies and practices of mainstream finance institutions, and to shrink the most unaccountable and harmful parts of the sector.

Policy, laws and regulations are key leverage points for changing the financial system. We need to overcome significant barriers which stand in the way of this happening, including the power and influence of those within and outside of the financial sector who seek to maintain the status quo.

We need to ensure that the perspectives and needs of those most negatively impacted by the financial system aren't excluded or ignored by those in positions of power.

Our approach (continued)

To do this, we need to increase the scale, diversity and effectiveness of the groups and networks who are working to change the financial system. We need to increase our collective ability to influence policy makers to change the rules which shape the financial system, and to shift the attitudes, beliefs and power dynamics which underpin the system.

Each year, we agree priority areas to support collaboration, to catalyse new areas of work, and to campaign to change the policies and rules which shape the system. In 2024, those areas were:

- Tackling financial exclusion and unaffordable credit through the Fair Banking for All Campaign
- Building a diverse coalition of allies to campaign together for a fairer, greener pensions system
- Developing our work to tackle economic crime and dirty money
- Coordinating and supporting civil society efforts to align financial policy with the UK's climate and nature goals

Our work in 2024

2024 saw progress and successes across our different priority areas, as we led or supported work to influence political manifestos in the first half of the year, and then the priorities of the new government following the general election in July.

Our campaign for a Fair Banking Act (FBA), which aims to tackle financial exclusion and unaffordable credit, gained significant political traction, while the coalition behind the campaign expanded and diversified significantly. Highlights included a parliamentary event in which policy makers were able to hear directly from people with direct experience of financial exclusion, along with business leaders, financial regulators and representatives of the responsible finance sector.

We led efforts to influence the UK government's once-in-a-generation review of the pensions system. We brought together civil society organisations, trade unions, consumer groups and pensions experts to develop a shared policy agenda and a joint advocacy strategy. This has laid the foundations for an impactful campaign in 2025 to make the pensions system work better for savers and pensioners, for the economy, and for the environment.

Rapidly scaling up investment in a just transition to a sustainable economy is a critical priority for the coming years. We coordinated a network of organisations to identify policy priorities, develop shared strategies to influence the new government, and coordinate joint activities. There is much more to be done, but we have seen significant gains in some key areas, and we now have the networks and strategies in place to push for further progress in 2025.

We were once again listed in [NatWest's top 100 social enterprises](#) for 2024.

In January 2025, Katie Boswell and Emma Faulkner left the board, and we appointed four new Trustees, who bring with them a wealth of experience from across the sector – Nuria Molina Gallart, Thomas Railton, Simon Starling, and Erinch Sahan. A fifth new Trustee, Louise Eldridge, is due to be appointed in May 2025.

Charitable objects

The objects of the Charity are for the public benefit:

1 The promotion of ethical principles in financial systems for the public benefit including (but not limited to) by:

1.1 Advancing education and promoting research into the UK and international financial systems and their constituent elements including in particular, areas of change and innovation within those systems, emergent trends, new financial business models and impacts of investments on society and the environment; and publishing or otherwise disseminating the results of such research and providing a forum for its discussion;

1.2 Promoting sustainable development by:

a. promoting the preservation and conservation of the natural environment and the prudent use of natural resources and ecological processes; and

b. promoting sustainable means of achieving economic progress and regeneration.

In this context, "sustainable development" means development that meets the needs of the present generation without compromising the ability of future generations to meet their needs.

2 Relief of poverty and improving the conditions of life in socially and economically disadvantaged communities.

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Tackling financial exclusion and unaffordable credit through the Fair Banking for All Campaign

Economic Justice: Tackling financial exclusion through growing purpose-driven finance, achieved by the implementation of a Fair Banking Act.

By 2030, major changes to government policy and regulation drive a significant expansion of the purpose-driven finance sector to meet the needs of people, small businesses and communities who cannot access the financial services and support they need from more mainstream finance institutions.

The impact of our work

Millions of people in the UK lack financial resilience. They are vulnerable to financial shortfalls or shocks because they are excluded from the mainstream financial system, unable to access affordable credit in moments of need. A lack of safe and affordable alternatives means that many have no choice but to use exploitative high-cost lenders or loan sharks, and can end up trapped in a cycle of problem debt. People on low incomes, women, people of colour, and disabled people are disproportionately likely to be financially excluded.

We are working to tackle this crisis through our leadership of the Fair Banking for All coalition, and the coalition's campaign for a Fair Banking Act. Research that we published in September showed that a Fair Banking Act could lead to a 13-fold increase in the volume of lending from responsible finance institutions to financially insecure people, creating around £3bn of additional affordable credit. That increase in lending would more than match the amount owed to illegal money lenders across the UK, providing a real alternative for people who can't access support from high street banks and helping to pull the rug from under the illegal lending market.

During the year, a growing number of organisations backed our call for a Fair Banking Act or equivalent in their own reports or manifestos. These included a [report](#) by the Scottish Government's Minister for Employment and Investment, and the [manifesto](#) of the Co-operative Party. In our engagement with politicians, business leaders and financial regulators, we are increasingly seeing evidence that the debate is moving from "Do we need this?" to "How can we make this happen?".

We have also seen a growing recognition within government of the importance of the responsible finance sector for tackling financial exclusion – which is central to our argument for why a Fair Banking Act is needed. One sign of progress is that representatives of the credit union and CDFI sectors have been invited to join the Financial Inclusion Committee that is feeding into the government's new National Financial Inclusion Strategy. In 2025, we will be doubling down on our efforts to ensure that this strategy is informed by the insights of people who will be most directly impacted by it, and that a Fair Banking Act is included as a central pillar.

What we did

Our strategy focuses on building a powerful coalition - rooted in the experience of people with direct experience of financial exclusion, and capable of persuading the government to enact transformative solutions.

Tackling financial exclusion and unaffordable credit through the Fair Banking for All Campaign (continued)

The coalition's goal is to win the introduction of a Fair Banking Act (FBA) which could transform access to credit in the UK by mandating mainstream banks, purpose-driven finance institutions and regulators to work in partnership to address financial exclusion.

We increased the size, diversity, and engagement levels of the Fair Banking for All coalition. At the end of 2023, we had 13 coalition members, plus four supporting organisations. In 2024, that grew to 32 coalition members, with a further five organisations supporting or inputting into the campaign. We have built up the campaign's social media presence, with growing levels of content sharing and engagement from other organisations, the general public, and politicians.

Throughout the year, we worked to build influence with politicians from all parties, as well as financial regulators and mainstream financial institutions. That included briefings for all political parties to influence their manifestos, and then writing to all new MPs after the election. In October, we organised a parliamentary roundtable event in partnership with the All-Party Parliamentary Group on Fair Banking. This featured contributions from people with lived experience of financial exclusion alongside the Federation of Small Businesses, the FCA, representatives of the responsible finance sector, and the actor and activist Michael Sheen. In advance of the event, we published new research which showed that the Fair Banking Act could lead to a thirteen-fold increase in the lending capacity of credit unions and CDFIs, and boost small-business turnover by almost £4 billion.

People with lived experience of financial exclusion play a key role in the coalition. Through 2024 we worked closely with a small group of individuals whose expertise helped shape the campaign and some of its key activities (e.g. plans and messaging for the parliamentary event in October), and who we supported to share their insights and experience with policy makers and the media.

2025 and beyond

Going into 2025, we will keep building momentum and political pressure for the government to commit to a Fair Banking Act as a central pillar of their national Financial Inclusion Strategy.

We will continue to work with a community of people with lived experience of financial exclusion to help shape the next phase of the Fair Banking Act campaign, and support them to share their expertise and insights with policy makers and the media.

We will also strengthen our engagement with mainstream banks to build and demonstrate more industry support for our positions.

Building a diverse coalition of allies to campaign together for a fairer, greener pensions system

A campaign focused on both our economic and environmental justice goals, seeking to ensure the government's major Pensions Review and related reforms deliver:

- *Decent pensions for all, so everyone can enjoy their retirement.*
- *Responsible investment by the £2.5 trillion pensions industry to support a just, green transition.*

The impact of our work

In 2024, the new UK government initiated a major review of the pensions system, creating an opportunity for the biggest reforms in a generation. We have played a central role in coordinating a civil society response to this, building a powerful alliance alongside trade unions, pensions industry representatives, consumer groups and others. We are now well positioned to build on the progress made, and to win significant reforms over the coming year.

Our evidence-based policy proposals, co-authored with unions and civil society partners, show how the pensions system could be transformed to deliver better outcomes for savers and pensioners. They show how it could contribute more to the government's growth and investment priorities, especially through investment in a just transition to a low-carbon economy, while phasing out pension investments in fossil fuels, deforestation and other harmful industries.

While the first phase of the government's review felt rushed, we have been focused on making the case for why the following phases need to be more ambitious, and to be based on input from a wider range of voices. We were encouraged that, towards the end of 2024, the Chancellor described the Review as the biggest set of reforms to pensions in decades in her maiden Mansion House speech, indicating that this remains a major priority for the government, with a high level of ambition.

What we did

Our work to influence the Pensions Review focused on raising the government's ambition for reform, and on ensuring that the review addresses issues of inequality and sustainability in the pensions system.

We began the year with the launch of our [Purpose of Pensions report](#), followed by a [joint statement](#) with civil society partners ShareAction and Make My Money Matter, laying out an ambitious policy agenda for progressive pensions reform. The launch of this joint statement in March resulted in widespread media coverage including in [Pensions Age](#); [ESG Investor](#); [GB News](#); and [Business Green](#).

Throughout the year, we engaged with progressive groups from various sectors working on pensions reform, including civil society, trade unions, academics and industry leaders to build a broad-based and powerful coalition. For example, in July, we published a [joint statement](#) with allies in the trade union movement.

Building a diverse coalition of allies to campaign together for a fairer, greener pensions system (continued)

We coordinated a joint advocacy strategy to influence Labour's pension reforms, which included [responses to consultations](#), contributing to events and meeting with the Pensions Minister at the Labour party conference, and briefing cross-party politicians. Our media efforts aimed to create a compelling public narrative on pensions reform. Key messages, fact sheets, and media research were developed, with op-eds placed in mainstream and sector press including in [Pensions Expert](#), [Business Green](#), and [LBC](#).

2025 and beyond

Going into 2025, we will scale up our push for ambitious reform of the pensions system so it delivers better outcomes for savers and pensioners, for the economy and for the environment. We will lead a powerful and broad alliance of civil society groups, pensioner and consumer groups, unions, and industry to influence the government through advocacy, public campaigning, and media work.

Developing our work to tackle economic crime and dirty money

Economic Justice: Tackling the UK's role as a centre for economic crime and tax dodging through increased transparency and accountability.

By 2030, improvements in policy and regulation have helped to make the UK's financial system more transparent and accountable, and have supported global efforts to do the same. This will help to tackle economic crime and tax dodging – both major causes of global inequality and injustice.

The UK is at the centre of economic crime and tax dodging globally. This problem of 'illicit finance' costs the UK an estimated £350 billion per year, and the UK and the UK's overseas territories and dependencies' role in facilitating illicit finance and dirty money costs developing countries in lost tax revenue, outflows of corrupt funds, and lost investment.

This is a new area of work for the Lab, so 2024 was a year of learning, making connections and developing our understanding of where we can best make a difference. There is a strong community of changemakers to work with, a clear agenda set out in the Economic Crime Manifesto, and a lot of progress has been made in the UK recently, though there is still a long way to go.

2025 and beyond

The Lab will begin to scale up its work in this area in 2025 through integrating into existing networks and discussing with active organisations the best role we can play. This collaborative approach will be central to ensuring that we help to build power and support the important work, actors and networks that have achieved so much in advancing this agenda in recent years. We will also develop our first report on the impacts of financial and economic crime and tax dodging on the UK economy, to help raise awareness of the issue and develop our thinking.

Coordinating and supporting civil society efforts to align financial policy with the UK's climate and nature goals

Environmental Justice: Financing the just green transition.

By 2030, financial regulation and policy support and oblige financial institutions to align their strategies, business models and activities with the Paris Climate Agreement and just transition principles.

The impact of our work

The financial sector remains a central driver of the climate and nature crises, but is also critical to our hopes of achieving a rapid and just transition to a zero-carbon economy that allows the natural world to thrive.

In 2024, we saw some significant steps forward on sustainable finance in the UK. Following years of civil society pressure, the new Chancellor of the Exchequer reintroduced climate mandates for financial regulators, and introduced new nature mandates. Labour made a manifesto commitment to bring in new regulations requiring businesses to produce 1.5C aligned transition plans. The government laid out plans for a new industrial strategy with green investment at its heart, and created a new National Wealth Fund with a remit to support this.

Civil society organisations have played a key role in developing proposals in all these areas, and building support for them from politicians, business leaders and other influential actors.

We have played a central role in coordinating and supporting these efforts, bringing allies together to identify windows of opportunity and to develop shared strategies to influence decision-makers. We have helped to ensure that a broad range of organisations can present a united front to government, and that collective resources are aligned around the biggest potential windows of opportunity.

What we did

Our work in 2024 focused primarily on building the collective capacity and influence of civil society organisations to influence financial policy and regulations.

We led a policy development process that united sixteen organisations around a [shared agenda](#) ahead of the general election. This put forward ambitious but achievable recommendations for how the government should reform financial sector policy and regulation to tackle the nature and climate crises.

We established effective ways of working to strengthen collaboration between organisations working on sustainable finance. For example, we organised workshops to agree priorities and headline strategies, and convened regular meetings to share intel and updates, and to plan and coordinate activities. We supported the set-up of sub-groups focused on specific policy priorities, and led a steering group to oversee the different strands of activity. This vital behind-the-scenes work ensured that our network as a whole could be more than the sum of its parts. It laid the foundations for further collaboration in 2025 as we push for big progress on green investment (e.g. through pensions and the National Wealth Fund) and regulation for sustainable finance (e.g. through the implementation of 1.5C-aligned transition plans).

Coordinating and supporting civil society efforts to align financial policy with the UK's climate and nature goals (continued)

Ambitious policy proposals need to be informed by the insights of the financial sector if they are to be workable, and need to have backing from leaders within the sector if they are to gain political traction. To this end, we continued to build up our network of allies in the sector, hosting monthly networking events throughout 2024 and a larger [event](#) during London Climate Action Week in association with UK Finance. We also ran a collaborative learning project with civil society partners to identify ways in which engagement with the private sector could become more consistent and effective.

2025 and beyond

Going into 2025, we will continue to coordinate collective efforts to influence finance policy and regulation to scale up investment in a just, green transition and to accelerate a phase out of financing for fossil fuels and other harmful sectors. We will further engage the financial sector to gain insights, to influence their thinking, and to build a broader base of support for our policy positions and advocacy strategies.

Building collective power

Build the collective power of all the groups and organisations working to change the rules of the financial system.

Our 2030 goal is that there is a significant increase in the number, diversity and impact of organisations and individuals working together to influence financial regulation and policy for the benefit of people and the planet.

The impact of our work

In a year with a great deal of political change and unpredictability, our policy updates and analysis kept allies up-to-speed with new developments, and helped to identify emerging opportunities and threats. Meetings of the Transforming Finance Network in the run-up to and after the general election provided space for organisations working on different aspects of finance systems change to compare notes, identify shared priorities, and discuss strategies for influence. This helped to create greater alignment amongst allies, and allowed for more agile responses to the new government's agenda as it developed.

Within each of our programmes, we built power within the networks and coalitions that we lead, increasing the number and diversity of organisations working together around key strategic priorities, fostering higher levels of collaboration, and producing joint strategies and outputs to increase our collective influence.

What we did

Our work in all areas includes a focus on building the infrastructure to support and strengthen the ecosystem of organisations working to change the financial system so it works for people and planet. By providing coordination spaces, sharing insights and analysis, and leading the development of shared strategies and plans, we build our collective power, and become more than the sum of our parts.

In addition to the networks and coalitions that we convene as part of our thematic programmes, including the Better Pensions coalition, the Fair Banking for All coalition, and the Sustainable Finance Network, in 2024 we continued to convene the Transforming Finance Network and Transforming Data Network, with regular meetings as well as active e-lists.

We also continued to publish our Policy Forward Look (PFL), a regular comprehensive analysis of government and regulatory activities in the financial sector. As in previous years, this resource received widespread recognition from recipients, with a growing subscriber base and praise from civil society allies for its clarity and depth.

We also supported advocacy led by others, such as endorsing a letter to the Governor of the Bank of England in April calling for bolder action on climate, and a letter to the Basel Committee on Banking supervision calling for better approaches to reporting greenhouse gas emissions from financial institutions.

2025 and beyond

Going into 2025, we will continue to provide insight and analysis through our Policy Forward Look, and convene spaces to develop and deliver strategic campaigns and other joint

Building collective power (continued)

initiatives focused on key priority areas of financial systems change. We will build and support networks and coalitions, creating entry points for new organisations and individuals to engage in finance systems change and building bridges with other progressive movements, and provide thought-leadership to explore and help develop an ambitious future agenda for transformative financial systems change.

Shaping the debate

In addition to [various short articles](#) available on the Lab's website, we issued the following publications across our priority areas:

- In January, we published a [paper reviewing proposals for change to the Pensions system](#), and recommending five key sets of reforms that could ensure that the pensions system works for people, the economy, and the environment.
- In March, we co-signed a [letter to the Basel Committee on Banking Supervision](#), which sets global rules for Banks, highlighting a serious flaw in those rules that risk under-reporting greenhouse gas emissions from the financial industry.
- Also in March, we published specific [proposals for pensions reform](#), developed based on our own expertise as well as that of ShareAction and Make My Money Matter, and a year-long process of discussions with experts from the pensions industry and beyond. Following this, in June, we published detailed [policy recommendations](#), in partnership with trade unions and other civil society groups.
- In April, the Lab co-signed a [letter to the Andrew Bailey](#), as Governor of the Bank of England, to align the financial sector with the UK's climate goals.
- In May, we published a [briefing](#) highlighting how a Fair Banking Act would support businesses and create a stepchange in financial inclusion across the UK. In June we published a [second briefing](#), highlighting how the same legislation would support an ambitious scaling of the purpose-driven finance sector, tackle individual financial exclusion, and drive capital to small businesses to enable local and national growth.
- In July, we published a [joint briefing](#) with 14 other organisations, urging the new government to prioritise green finance, demonstrating to the world how to finance a just transition to a thriving low-carbon economy.
- In September, we published [research](#) showing that a Fair Banking Act could lead to a significant increase in the supply of affordable credit for individuals, SMEs and social enterprises in the UK.
- Also in September, we sent a [joint letter](#) (with Make my Money Matter and ShareAction) to the Pensions Minister, requesting a meeting to discuss how we can support the Government's review of retirement savings and the pensions system.
- Also in September, we published an [update to our previous paper](#) titled 'Fair Banking for All: Why the UK needs a Fair Banking Act to tackle financial exclusion', setting out the key features of a Fair Banking Act, and revising and updating the proposal originally set out.
- In October, we joined financial inclusion experts and organisations including Charles Randell CBE, Martin Lewis CBE, and Johnny Timpson OBE, to co-sign a [joint letter](#) to Rachel Reeves MP, asking the Chancellor to ensure that financial inclusion is a priority for the FCA.

Shaping the debate (continued)

- In November, we [responded to the Department of Work and Pensions consultation](#) on legislation related to the creation of multi-employer collective defined contribution (CDC) pension schemes, highlighting the need for CDC pensions to be focussed on the needs of beneficiaries and linked to green investment.
- In December, alongside 50 other signatories, we signed a [letter to Rachel Reeves](#) issuing a warning that a competitiveness-orientated finance strategy could jeopardise financial stability and growth. We also [responded to the government's Call for Evidence](#) issued as part of its development of a Financial Services Growth and Competitiveness Strategy, registering those concerns and arguing for more focus on finance as a means to power the green transition.
- We continued producing a regular summary and analysis of all major financial sector policy, regulatory and legislative processes, alongside briefings with organisations, journalists, and policy makers to share insights from it.
- We published our monthly Changing Finance roundup of key news stories relating to transforming the financial system for people and planet.

In recognition of the Lab's expertise, our team are frequently cited or asked to share their expertise in various settings. We were widely quoted in the media and have had opinion pieces, interviews or quotes in press ranging from LBC to GB News to Business Green and Pensions Age. Calls for a Fair Banking Act also featured in the Times, the Financial Times and the Big Issue.

Our structure and governance

The Finance Innovation Lab was established as a Company Limited by Guarantee (CLG, number 09380418) on 8 January 2015 and became a Registered Charity (number 1165269) on 22 January 2016. Our constitutional documents are our Articles of Association.

Our Board

The board can consist of up to fourteen trustees, all able to serve two terms of three years. Sub-committees of the board are convened to expedite the execution of duties. Current sub-committees are the Finance and Operational Risk committee, which meets quarterly, and the Communications and Campaigns Committee, which meets two to three times a year. In addition, the Chair and Vice Chairs met together with the CEO and Director of People, Resources and Operations or Chief Operating Officer every other month.

Trustee recruitment is conducted via an open application process advertised via various different channels. Induction support is provided to all new trustees by the staff team and Chair. This includes copies of relevant policies, procedures, and governance information. The trustees who served during the financial period were:

David Bartram (vice-Chair)	
Christopher (Kit) Beazley (Chair)	
Katherine Boswell	Retired 28 January 2025
Mikael Down	
Nana Francois (vice-Chair)	
Alice Merry	
Emma Faulkner	Resigned 3 January 2025
Thobeka Ngcobo (Treasurer)	
Nuria Molina Gallart	Appointed 28 January 2025
Thomas Railton	Appointed 28 January 2025
Simon Starling	Appointed 28 January 2025
Erinch Sahan	Appointed 28 January 2025

Our structure and governance (continued)

Our team

Day-to-day management is delegated to the Chief Executive Officer.

The Lab team during 2024 was:

Jesse Griffiths	Chief Executive Officer
Rebecca Sumner Smith	Chief Operating Officer
Holly May	Director of People, Resources and Operations
Nick Bryer	Director of Programmes and Campaigns
Marloes Nicholls	Head of Advocacy
Jon Dennis	Head of Climate and Nature
Sam Rex-Edwards and Kay Polley	Head of Movement Building and Campaigns (job-share)
Thomas Shields	Policy and Public Affairs Manager
Alexandra Spencer	Programme Manager
Yvonne Morris	Operations Manager
Sarah Emm	Finance Manager
Gurjinder Khambay	Programme and Communications Officer

Key management personnel during the year were Jesse Griffiths, Rebecca Sumner Smith, Holly May and Nick Bryer.

Remuneration is reviewed and agreed annually by the trustees with reference to salary bands which have been set after consideration of external benchmarking. The Lab is an accredited Living Wage and Living Pension employer and we are committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain people with the right skills to have the greatest impact in delivering our charitable objectives.

We also worked with freelancers during the year who brought invaluable insight and skill to our work, including two Lab Associates, David Fagleman and Anna Johnston.

Compliance with the Charity Governance Code for smaller charities

The Charity Governance Code ('the Code') is a voluntary code intended to help charities in England and Wales, and their trustees, develop high standards of governance. The Code has been designed as a tool to support continuous improvement – something core to the Lab's values and systems-focused approach. The Lab is committed to the aims of the Code. As such, the trustees have resolved to adopt the Code and the Principles as a tool to identify areas to focus on.

An updated version of the Code was released in December 2020. In 2021, the trustees engaged in a review of the Lab's governance in line with the Code practice. This review was refreshed during 2023, confirming that justice, equity, diversity and inclusion continued to be the key area requiring focus (see below).

Our structure and governance (continued)

Justice, equity, diversity, and inclusion (JEDI)

The Lab is committed to providing equality and fairness for all and not to discriminate on any basis, including gender, marital status, race, ethnic origin, colour, nationality, national origin, disability, sexual orientation, mental health, religion or age. From the outset, the Lab has worked to build a culture which is open and inclusive, and which actively supports justice, equity, diversity and inclusion in our internal practices as well as our programmatic work.

As part of our work on the updated Charity Governance Code, in 2021-2022 the Lab set up a time-bound JEDI working group consisting of board and team members. This group was re-established in 2023-2024 to deepen our work, the outcomes from which were shared on our website here: <https://financeinnovationlab.org/justice-equity-diversity-and-inclusion-at-the-lab-an-update/>. The working group will continue in 2025 in an updated form. This is an area of ongoing focus, updates from which are periodically shared on our website.

Financial review

Where did our money come from?

In 2024, we received income from the following sources:

	2024 (£)
Grants and donations	
The Sunrise Project	£186,702
Laudes Foundation	£144,408
KR Foundation	£124,854
Joseph Rowntree Charitable Trust	£101,700
Friends Provident Foundation	£90,000
European Climate Foundation	£40,000
Joffe Charitable Trust	£33,333
John Ellerman Foundation	£33,333
Barrow Cadbury Trust	£30,500
Tudor Trust	£30,000
Network for Social Change	£18,749
Pickwell Foundation	£6,000
Consultancy Income	£ 18,395
Donations	£33
Interest and reimbursed expenses	£1,757
Total	£859,764

Financial review (continued)

What did we spend it on?

Our biggest cost is our team: the talented staff and freelancers who design and deliver our programmes.

	2024 (£)
Staff costs	£626,565
Freelance staff	£17,877
Rent, IT and other running costs	£44,458
Accountancy, Independent Examination and legal fees	£9,284
Venues, hosting events and participant expenses	£5,249
Total	£703,433

Results for the year

Total income for the year was £859,764 (2023: £833,385) of which £241,885 was unrestricted (2023: £203,634) and £617,879 was restricted (2023: £629,751). Unrestricted expenditure was £145,084 (2023: £192,643) and we were allowed to transfer £7,500 from one restricted grant to unrestricted funds, resulting in a surplus on unrestricted funds for the year of £104,301 (2023: surplus of £10,991). Restricted expenditure was £558,349 (2023: £635,995) resulting in a surplus after transfers on restricted funds for the year of £52,030 (2023: deficit of £6,244).

Our financial position

The trustees set the Lab's target reserves at a level sufficient to ensure our financial stability and ability to meet our charitable objectives for the foreseeable future. Our target is to maintain reserves at a level that is at least equivalent to three months' of salary costs but no more than six month's worth of total budgeted expenditure. The trustees review the amount of reserves that are required on a quarterly basis.

At 31 December 2024, the Lab had unrestricted reserves of £241,792, which represented 34% (or 4.12 months) of expenditure. Having reviewed both the policy and reserves level, the trustees consider the level of reserves held to be appropriate.

Principle risks and uncertainties

The Trustees actively review both the strategic and operational risks that the Finance Innovation Lab faces. These cover both short and long-term risks and in particular concern financial sustainability and reputation.

Principle risks and uncertainties facing the Lab during 2024 included:

- ♦ The **risk of having insufficient funding and staff** to deliver our ambitious programme of work, leading to the potential for staff burnout and/or poor quality delivery. This risk is actively mitigated in a number of ways, including various policies to support staff welfare, active workload management, and seeking additional funding sources to alleviate pressure rather than simply add additional requirements into our work.

Principle risks and uncertainties (continued)

- ◆ The **risk of long-term staff sickness** impacting the ability of the Lab to deliver. This is particularly relevant given we are a small team. We mitigate this risk similarly to the above – working to ensure there is capacity within the team and budget to flex to unforeseen circumstance – alongside a comprehensive business continuity plan.

The trustees confirm that they are satisfied that strategies, systems and controls are, as far as possible, in place to mitigate significant risks, including those presented by the coronavirus pandemic and measures taken by public authorities to control it.

The Finance and Operational Risk Committee (FORC) of the Board of Trustees regularly reviews the Lab's risk register. The FORC's principal role is one of oversight and scrutiny and it does not relieve the Board of its responsibilities for the monitoring and management of risk. The risk register is also reviewed regularly by the Board of Trustees.

Thank you

The Lab exists to change one of the most powerful, unequal, unsustainable and unaccountable systems in the world: the financial system.

We didn't take this on because it's easy to achieve or easy to fund. We took it on because we believe that transforming the financial system is the key to tackling all of the major challenges we face, from the climate and nature crisis, to inequality, poverty, marginalisation and exclusion.

We believe it can be done. And we have the courage to try.

We'd like to express our sincere thanks to all of those who have made our journey possible so far, including:

- ◆ The Lab team and trustees.
- ◆ Our funders, donors and supporters in the UK and beyond.
- ◆ Our Senior Fellows: Bertrand Beghin, Christine Berry, Fran Boait, Gemma Bone Dodds, Diane Burrige, Martin Campbell, Bruce Davis, Simon Deane-Johns, Anna Fielding, Tony Greenham, Julia Groves, Malcolm Hayday, Nonhlanhla Makuyana, Reema Patel, Faith Reynolds, Karl Richter, Brett Scott, James Vaccaro, and Emma Vartolomei.
- ◆ The Lab's founding partners, WWF-UK and ICAEW.
- ◆ The Lab's co-founders: Charlotte Millar, Jen Morgan, Rachel Sinha and Richard Spencer.

Statement of trustees' responsibilities

The trustees (who are also Directors of Finance Innovation Lab for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the trustee has taken all the steps that they ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's independent examiner is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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.

Trustees' Report Year ended 31 December 2024

Approved by the trustees of the charity on 8th July 2025 and signed on its behalf by:


Thobeka Ngcobo (Jul 22, 2025 00:03 GMT+1)

Trustee

Independent examiner's report to the trustees of Finance Innovation Lab ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2024.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

- 1 accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

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



Stuart Mackie, FCA

Morris Crocker
Chartered Accountants
Station House
North Street
Havant
Hampshire
PO9 1QU

Date:

26th August 2025

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 December 2024

	Notes	Unrestricted funds £	Restricted funds £	Total 2024 £
Income from:				
Donations	3	221,733	617,879	839,612
Charitable activities	4	19,724	-	19,724
Investment income		428	-	428
Total income		<u>241,885</u>	<u>617,879</u>	<u>859,764</u>
Expenditure on:				
Raising funds	6	(56,226)	(6,455)	(62,681)
Charitable activities	5	(88,858)	(551,894)	(640,752)
Total expenditure		<u>(145,084)</u>	<u>(558,349)</u>	<u>(703,433)</u>
Net income for the year		<u>96,801</u>	<u>59,530</u>	<u>156,331</u>
Transfers between funds		7,500	(7,500)	-
Net income and net movement in funds		<u>104,301</u>	<u>52,030</u>	<u>156,331</u>
Reconciliation of funds				
Total funds brought forward		146,997	160,482	307,479
Total funds carried forward	17,19	<u>251,298</u>	<u>212,512</u>	<u>463,810</u>

Comparative figures for the year ended 31 December 2023:

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £
Income from:				
Donations	3	161,612	629,751	791,363
Charitable activities	4	41,627	-	41,627
Investment income		395	-	395
Total income		<u>203,634</u>	<u>629,751</u>	<u>833,385</u>
Expenditure on:				
Raising funds	6	(28,083)	(30,436)	(58,519)
Charitable activities	5	(164,560)	(605,559)	(770,119)
Total expenditure		<u>(192,643)</u>	<u>(635,995)</u>	<u>(828,638)</u>
Net income and net movement in funds		<u>10,991</u>	<u>(6,244)</u>	<u>4,747</u>
Reconciliation of funds				
Total funds brought forward		136,006	166,726	302,732
Total funds carried forward	17,19	<u>146,997</u>	<u>160,482</u>	<u>307,479</u>

All of the charity's activities derive from continuing operations during the above two periods.

Balance sheet Year ended 31 December 2024

	Notes	2024 £	2023 £
Fixed assets			
Tangible fixed assets	13	9,506	10,236
Current assets			
Debtors	14	6,512	16,356
Cash at bank and in hand		474,494	324,606
		481,006	340,962
Creditors: amounts falling due within one year	15	(26,702)	(43,719)
Net current assets		454,304	297,243
Net assets		463,810	307,479
Funds of the charity:			
Restricted funds	19	212,512	160,482
Unrestricted funds		251,298	146,997
Total funds	17	463,810	307,479

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2024.

The members have not required the company to obtain an audit of its financial statements for the yearended 31 December 2024 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on

8th July 2025 and were signed on its behalf by:


Thobeka Ngcobo (Jul 22, 2025 00:04 GMT+1)

Trustee

Finance Innovation Lab: A company limited by guarantee. Company Registration No. 09380418 (England and Wales).

Statement of cash flows Year ended 31 December 2024

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(152,019)	(43,670)
Cash flows from investing activities:			
Interest received		428	395
Purchase of tangible fixed assets		(5,005)	(2,008)
Disposal of fixed asset		2,446	-
Net cash provided by investing activities		(2,131)	(1,613)
Change in cash and cash equivalents in the year		149,888	(45,283)
Cash and cash equivalents at 1 January 2024	B	324,606	369,889
Cash and cash equivalents at 31 December 2024	B	474,494	324,606

Notes to the statement of cash flows for the year to 31 December 2024.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2024 £	2023 £
Net movement in funds (as per the statement of financial activities)	156,331	4,747
Adjustments for:		
Interest receivable	(428)	(395)
Depreciation charge	3,341	4,798
(Profit)/loss on disposal of tangible fixed asset	(52)	-
Decrease (increase) in debtors	9,844	(13,533)
(Decrease) increase in creditors	(17,017)	(39,287)
Net cash (used in) provided by operating activities	(152,019)	(43,670)

B Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	474,494	324,606
Total cash and cash equivalents	474,494	324,606

C Analysis of changes in net debt

	2023 £	Cash flows £	2024 £
Cash at bank and in hand	324,606	149,888	474,494
	324,606	149,888	474,494

1 Charity status

The charity is a company limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Principal accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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) and the Companies Act 2006.

Basis of preparation

Finance Innovation Lab meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees have considered the impact of the cost of living crisis on the charity and put measures into place to ensure the Lab can continue its operations as described in the trustees' report. Although all of the future fundraising is not yet confirmed, given existing funding commitments in place the trustees consider there are currently no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

2 Principal accounting policies (continued)

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computer equipment	25% straight line

2 Principal accounting policies (continued)

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

3 Income from donations

	Unrestricted funds £	Restricted funds £	Total 2024 £
Grants from:			
Charities	221,700	617,879	839,579
Individuals	33	-	33
	<u>221,733</u>	<u>617,879</u>	<u>839,612</u>
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total 2023 £</i>
<i>Grants from:</i>			
<i>Charities</i>	<i>161,592</i>	<i>629,751</i>	<i>791,343</i>
<i>Individuals</i>	<i>20</i>	<i>-</i>	<i>20</i>
	<u><i>161,612</i></u>	<u><i>629,751</i></u>	<u><i>791,363</i></u>

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2024 £
Consultancy (social and sustainable finance and financial reform)	19,724		19,724
	<u>19,724</u>	<u>-</u>	<u>19,724</u>
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total 2023 £</i>
<i>Consultancy (social and sustainable finance and financial reform)</i>	<i>41,627</i>	<i>-</i>	<i>41,627</i>
	<u><i>41,627</i></u>	<u><i>-</i></u>	<u><i>41,627</i></u>

5 Expenditure on charitable activities

		Unrestricted funds	Restricted funds	Total 2024
	Notes	£	£	£
Direct costs		1,668	6,730	8,398
Staff costs	11	-	473,605	473,605
Freelance staff		9,600	8,277	17,877
Allocated support costs	7	77,590	63,282	140,872
		88,858	551,894	640,752

		Unrestricted funds	Restricted funds	Total 2023
	Notes	£	£	£
Direct costs		21,142	34,865	56,007
Staff costs	11	105,010	351,827	456,837
Freelance staff		1,401	102,996	104,397
Allocated support costs	7	37,007	115,871	152,878
		164,560	605,559	770,119

6 Expenditure on fundraising costs

		Unrestricted funds	Restricted funds	Total 2024
	Notes	£	£	£
Staff costs	11	48,311	-	48,311
Consultants		-	-	-
Allocated support costs	7	7,915	6,455	14,370
Total		56,226	6,455	62,681

		Unrestricted funds	Restricted funds	Total 2023
	Notes	£	£	£
Staff costs	11	21,460	19,936	41,396
Consultants		3,024	-	3,024
Other		247	-	247
Allocated support costs	7	3,352	10,500	13,852
Total		28,083	30,436	58,519

7 Support costs

		Fundraising costs	Charitable activities	Total 2024
	Notes	£	£	£
Governance	8	162	1,586	1,748
Staff costs	11	9,687	94,962	104,649
Finance		18	181	199
IT		1,292	12,665	13,957
Legal & Professional		896	8,786	9,682
Establishment		1,059	10,382	11,441
Other		1,256	12,309	13,565
Total		14,370	140,871	155,241

Notes to the financial statements Year ended 31 December 2024

7 Support costs continued

	Notes	Fundraising costs £	Charitable activities £	Total 2023 £
Governance	8	924	10,202	11,126
Staff costs	11	8,023	88,542	96,565
Finance		20	219	239
IT		1,088	12,011	13,099
Legal & Professional		1,956	21,586	23,542
Establishment		1,665	18,375	20,040
Other		176	1,943	2,119
Total		13,852	152,878	166,730

8 Governance costs

	Notes	Unrestricted funds £	Restricted funds £	Total 2024 £
Board costs	10	-	8	8
Independent examination	9	290	1,450	1,740
	7	290	1,458	1,748

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £
Board costs	10	220	106	326
Audit fees	9		10,800	10,800
	7	220	10,906	11,126

9 Net income

Net income for the year is stated after charging:

	Notes	2024 £	2023 £
Audit fees:			
- Current year	8	-	10,800
Independent examiners fee		1,740	
Operating leases- land and buildings		6,903	13,798
Profit on disposal of asset		(52)	
Depreciation	13	3,341	4,798

10 Trustees' remuneration and expenses

No Trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No other Trustees have received any other benefits from the charity during the year.

No expenses (2023: £88) were incurred for board meeting refreshments during the year.

No trustees (2023: one) were reimbursed expenses (2023: £237) for travel to meetings.

Gifts to the value of £8 (2023: £237) were provided to Trustees.

11 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	543,781	515,980
Social security costs	54,691	50,510
Employer pension contributions	28,093	28,308
	626,565	594,798

Key management personnel remuneration, which includes employer's National Insurance and pensions, for the year was £262,617 (2023: £236,240).

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as average full time equivalents was as follows:

	2024 No	2023 No
Average number of employees	10	11

The number of employees whose emoluments, excluding employers National Insurance and pension, fell within the following bands was:

	2024 No	2023 No
£60,000 - £70,000	2	-
£70,000 - £80,000	1	1

12 Taxation

Finance Innovation Lab is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

13 Tangible fixed assets

	Total (computer equipment)
	£
Cost	
At 1 January 2024	25,972
Additions	5,005
Disposals	(2,394)
At 31 December 2024	<u>28,583</u>
Depreciation	
At 1 January 2024	15,736
Charge for the year	4,538
Disposals	(1,197)
At 31 December 2024	<u>19,077</u>
Net book value	
At 31 December 2024	<u>9,506</u>
At 31 December 2023	<u>10,236</u>

14 Debtors

	2024	2023
	£	£
Prepayments	4,521	4,406
Accrued income and other debtors	1,991	11,950
	<u>6,512</u>	<u>16,356</u>

15 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	3,447	1,957
Other taxation and social security	16,818	14,641
Accruals	6,437	27,121
	<u>26,702</u>	<u>43,719</u>

16 Financial commitments

At 31 December 2024 the charity had no lease commitments under non-cancellable operating leases

17 Funds

	Balance at 1 January 2024	Income	Expenditure	Transfer between funds	Balance at 31 December 2024
	£	£	£	£	£
Unrestricted funds					
General	146,997	241,885	(145,084)	7,500	251,298
Restricted funds	160,482	617,879	(558,349)	(7,500)	212,512
Total funds	307,479	859,764	(703,433)	-	463,810
	<i>Balance at 1 January 2023</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfer between funds</i>	<i>Balance at 31 December 2023</i>
	£	£	£	£	£
<i>Unrestricted funds</i>					
<i>General</i>	136,006	203,634	(192,643)	-	146,997
<i>Restricted funds</i>	166,726	629,751	(635,995)	-	160,482
<i>Total funds</i>	302,732	833,385	(828,638)	-	307,479

18 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds 2024
	£	£	£
Tangible fixed assets	9,506	-	9,506
Net current assets	241,792	212,512	454,304
Total net assets	251,298	212,512	463,810
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total funds 2023</i>
	£	£	£
<i>Tangible fixed assets</i>	10,236	-	10,236
<i>Net current assets</i>	136,761	160,482	297,243
<i>Total net assets</i>	146,997	160,482	307,479

Notes to the financial statements Year ended 31 December 2024

19 Restricted Funds

Fund	Balance at 1 January 2024 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2024 £
Barrow Cadbury Trust	11,500	30,500	(34,500)	(7,500)	-
Partners for a New Economy	20,722	-	(20,722)	-	-
Joffe Charitable Trust	16,500	33,333	(22,000)	-	27,833
The Sunrise Project	96,760	186,702	(194,260)	-	89,202
Laudes Foundation	15,000	144,407	(149,407)	-	10,000
Network for Social Change	-	18,749	(18,749)	-	-
Pickwell Foundation	-	6,000	(6,000)	-	-
European Climate Foundation		40,000			40,000
John Ellerman Foundation		33,333	(19,444)		13,889
KR Foundation		124,855	(93,267)		31,588
Total restricted	160,482	617,879	(558,349)	(7,500)	212,512

<i>Fund</i>	<i>Balance at 1 January 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfer between funds £</i>	<i>Balance at 31 December 2023 £</i>
<i>Barrow Cadbury Trust</i>	<i>12,500</i>	<i>49,000</i>	<i>(50,000)</i>	<i>-</i>	<i>11,500</i>
<i>Partners for a New Economy</i>	<i>61,028</i>	<i>59,383</i>	<i>(99,689)</i>	<i>-</i>	<i>20,722</i>
<i>Joffe Charitable Trust</i>	<i>15,000</i>	<i>33,000</i>	<i>(31,500)</i>	<i>-</i>	<i>16,500</i>
<i>The Sunrise Project</i>	<i>45,888</i>	<i>224,377</i>	<i>(173,505)</i>	<i>-</i>	<i>96,760</i>
<i>Multiplier</i>	<i>-</i>	<i>38,885</i>	<i>(38,885)</i>	<i>-</i>	<i>-</i>
<i>Network for Social Change</i>	<i>-</i>	<i>19,120</i>	<i>(19,120)</i>	<i>-</i>	<i>-</i>
<i>Laudes Foundation</i>	<i>32,310</i>	<i>151,986</i>	<i>(169,296)</i>	<i>-</i>	<i>15,000</i>
<i>JJ Charitable Trust</i>	<i>-</i>	<i>50,000</i>	<i>(50,000)</i>	<i>-</i>	<i>-</i>
<i>Pickwell Foundation</i>	<i>-</i>	<i>4,000</i>	<i>(4,000)</i>	<i>-</i>	<i>-</i>
Total restricted	166,726	629,751	(635,995)	-	160,482

Barrow Cadbury Trust, Laudes Foundation, Joffe Charitable Trust: grants to support our work building the power of civil society networks to influence financial policy. Joffe Charitable Trust also supported the development of a new strand of work focused on the UK's role in global economic crime and tax dodging. *The Sunrise Project, KR Foundation, European Climate Foundation, Partners for a New Economy:* grants to support our work to create a more sustainable financial system, including convening and collaborating with networks of civil society organisations and private sector allies to change finance policy to boost green investment and rapidly phase out financing for fossil fuels and other harmful sectors *John Ellerman Foundation:* grant to support our work to tackle financial exclusion and the poverty premium in the UK, through our work leading the Fair Banking for All coalition and the campaign for a Fair Banking Act *Network for Social Change, Pickwell Foundation:* grants to support us in developing research and policy, and building a broad-based coalition to push for reforms to the UK's pension system

20 Related party transactions

There were no related party transactions to report in 2024

FIL Accounts and Trustee Report 2024 Final for Signature

Final Audit Report

2025-07-21

Created:	2025-07-21
By:	Accounts Finance Lab (accounts@financeinnovationlab.org)
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Accounts



Annual Report and Financial Statements

(A company limited by guarantee)

31 December 2023

Company Registration Number
09380418 (England and Wales)

Charity Registration Number
1165269 (England and Wales)

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References and Administrative Information Year ended 31 December 2023

Trustees	David Bartram Christopher (Kit) Beazley (Chair) Katherine Boswell Mikael Down Nana Francois Alice Merry Emma Faulkner (appointed 31 January 2023) Thobeka Ngcobo (Treasurer, appointed 23 May 2023) David Carrington (retired 31 January 2023) Casey Lord (resigned 26 May 2023) Katherine Ormiston Smith (retired 24 October 2023) Amit Shah (resigned 24 October 2023)
Chief Executive Officer	Jesse Griffiths
Principal Address	10 Salamanca Place London SE1 7HB
Company registration number	9380418
Charity registration number	1165269
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	Unity Trust Bank PO Box 7193 Planetary Road Willenhall WV1 9DG

Trustees' Report Year ended 31 December 2023

The trustees, who are Directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2023.

The accounts have been prepared in accordance with the accounting policies set out on pages 28 to 30 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in *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 United Kingdom and Republic of Ireland (FRS 102) have been followed in the preparation of this report and accounts.

Our vision

Our vision is a financial system that serves people and planet – one that's democratic, sustainable, just and resilient.

Democratic	a transparent and accountable financial system, where all people can participate in the rule-making and institutions that shape it.
Sustainable	a financial system that helps meet society's long-term needs and supports human flourishing on a thriving planet.
Just	a financial system that promotes diversity and equality and protects human rights.
Resilient	a financial system that provides security and stability for all, and for the real economy.

The need

Our financial system has become disconnected from the real needs of people, the environment, the wider economy and society. Dysfunctions in the financial system lie at the root of today's challenges, from climate change and economic crises, to poverty, marginalisation, vulnerability and inequality.

It doesn't have to be this way. People created the system and people can change it. We can transform the financial system so that it puts people and planet first.

What we do

We focus on transformative systems change; deep, lasting change in the financial system that impacts:

- ♦ **Mental models** – the social and cultural mindsets, narratives, norms and values that make up and perpetuate what we believe is normal.
- ♦ **Power dynamics** – power dynamics determine how the system operates, who gets most influence, and whose interests prevail.

What we do (continued)

We know we can't do this alone. Our role is to build power to make this change happen, by:

- ♦ **Cultivating a powerful community of systems-changemakers** – from inside and outside the financial system, including innovators and influencers from values-based finance, fintech, mainstream finance, civil society organisations, governmental organisations and academia.
- ♦ **Working on high impact initiatives with clear leverage points** – to achieve concrete changes that shift mental models and power dynamics to transform the financial system.

Our current initiatives are grouped into four programmes targeting the key financial system impacts needed to meet our vision:

- ♦ **Growing purpose-driven finance** – significantly expanding the size and impact of financial institutions that put social and environmental purpose at the heart of their mission, and supported by their ownership, governance, culture, and business models will be key to building the financial system of the future.
- ♦ **Shifting mainstream finance** – mainstream players such as banks and pension and insurance funds will have to shift their activities significantly if we are to meet our environmental and social goals.
- ♦ **Influencing law, regulation and policy** – the financial system is structured by policy and regulation which define the playing field and rules of the game, and the system's alignment to environmental and social goals. These rules hold the key to creating or incentivising major transformative change to the system.
- ♦ **Building our community** – we build the power of our community by developing its size and diversity, facilitating connections, nourishing the people within it, advancing new thinking, and by supporting the development and growth of initiatives for change.

Our work in 2023

2023 saw many successes. The Finance for our Future campaign which we coordinated led to [substantive changes to the 2023 Financial Services & Markets Act](#), including preventing a damaging proposal to make sector regulators cheerleaders for the financial sector rather than watchdogs over it, and introducing the first system-wide requirement for regulators to take climate and environmental targets into account when setting all financial services regulation. We hosted the Transforming Finance Network conference in July, attended by 68 civil society representatives who discussed financial sector policy and transformative solutions, which led to the development of a major new campaign on pensions reform.

The Fair Banking for All Coalition has grown to 25 member organisations, and has published a detailed joint policy position. Significant political support is being garnered for the coalition's proposal for a Fair Banking Act as shown by both main All Party Parliamentary Groups (APPGs) in this area - APPGs for Fair Business Banking and Debt and Personal Finance – joining together to launch the campaign in Parliament. And in our Shifting Mainstream Finance programme, we successfully delivered the Climate Safe Lending Fellowship, which supported participants to advocate for significant changes to the banks where they work. Examples of

Our work in 2023 (continued)

the Fellows' success includes achieving a new governance structure in one bank, set up to drive climate progress, with two sustainable finance goals now embedded into the bank's business goals for the year, and successfully influencing top leaders of another bank that has the majority of its lending in high carbon sectors to embed climate in its core strategy.

We published a number of key reports, articles and proposals, were widely quoted in the mainstream press, and were once again listed in the [top 100 social enterprises for 2023](#) (Natwest, SE100).

David Carrington, Casey Lord, Kate Ormiston Smith and Amit Shah left the board after many successful years of support, and we appointed two new Trustees – Emma Faulkner, who took part in our Trustees-in-Training programme in 2022, and Thobeka Ngcobo who joined in May, and became our new Treasurer in October.

Charitable objects

The objects of the Charity are for the public benefit:

1 The promotion of ethical principles in financial systems for the public benefit including (but not limited to) by:

1.1 Advancing education and promoting research into the UK and international financial systems and their constituent elements including in particular, areas of change and innovation within those systems, emergent trends, new financial business models and impacts of investments on society and the environment; and publishing or otherwise disseminating the results of such research and providing a forum for its discussion;

1.2 Promoting sustainable development by:

a. promoting the preservation and conservation of the natural environment and the prudent use of natural resources and ecological processes; and

b. promoting sustainable means of achieving economic progress and regeneration.

In this context, "sustainable development" means development that meets the needs of the present generation without compromising the ability of future generations to meet their needs.

2 Relief of poverty and improving the conditions of life in socially and economically disadvantaged communities.

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Growing purpose-driven finance

Significantly expanding the size and impact of those financial institutions that put social and environmental purpose at the heart of their ownership, mandate, governance, culture, and business model will be key to building the financial system of the future.

Our 2030 goal is that purpose-driven financial institutions become mainstream in the UK, with a significant proportion of the public using purpose-driven financial institutions which hold an important share of total assets.

What we did

At present, the UK's financial system fails millions, and simply is not designed to serve people already marginalised through inequality and poverty. In particular, it creates barriers for those already facing exclusion, including women, people of colour, and people with disabilities. For example, the FCA's *Alternatives to High-Cost Credit* report found that even before the pandemic over 10 million people in the UK, mostly on low incomes, had few, or no, options to access credit. As a result, Fair For All Finance estimates that over the past three years, three million people in the UK have been forced to turn to illegal money lenders such as loan sharks. This inability to access an essential financial service – responsible credit to help with unexpected shocks or temporary financial problems – contributes to the poverty premium, rising levels of problem debt, and financial vulnerability, which the cost of living crisis is worsening. It is part of a broader problem of a financial system that systematically excludes millions from essential financial services.

The programme strategy focuses on building a powerful coalition - rooted in the experience of those whose lives have been blighted by financial exclusion - capable of challenging the iniquity within the UK's financial system and getting the government to enact transformative solutions. The coalition's goal is to win the introduction of a Fair Banking Act (FBA), a step-change solution which would mandate mainstream banks, purpose-driven finance institutions and regulators to work in partnership to address financial exclusion.

The [Fair Banking Act Policy Paper](#), published in March, opened the door for us to build relationships with key decision-makers. For example, we built connections with the All Party Parliamentary Groups for Fair Business Banking and Debt and Personal Finance and held a parliamentary roundtable co-chaired by these groups in September. We also had positive meetings with many cross-party politicians, and attending the Liberal Democrat, Conservative and Labour party conferences allowed us to develop new relationships within the parties, and to identify other organisations interested in the issue. We worked with Community Development Finance Institution, Fair for You, to place [this op-ed](#) in LabourList, and started to build relationships with three mainstream banking institutions all of whom are willing to continue conversations with us, and to take these forwards within their organisations.

During the period, the coalition grew to 25 members, who worked together on the policy paper, roundtable and other profile-raising activities during the year. We also worked with coalition members to hold two workshops with people with lived experience of financial exclusion, with participants recruited from across the country, and over 100 people expressing an interest in attending. The discussions at the events backed up the existing research by the coalition, and the learnings we have had to date from those in community finance and adjacent organisations. Four of the attendees, women with varied backgrounds and experiences, also

Growing purpose driven finance (continued)

shared their stories at the parliamentary roundtable. The strong relationships we have built through this work will be taken forward as we continue with the campaign in 2024.

The difference we made

Our work in 2023 has raised the profile of the Fair Banking for All Campaign, so that it is now well-known and talked about independently of the coalition. It was spontaneously raised at panel events at the party conferences, and many people we come across are now aware of the campaign before they meet us. Support for an FBA has also been included in recommendations from other organisations, for example Plend's 2023 Financial Inclusion Report, and it was raised as a top issue in a parliamentary roundtable on Access to Capital and Social Investment hosted by Darren Jones MP, in November. We had no involvement in organising this event but managed to get multiple organisations in the room to advocate for an FBA.

The profile of the campaign was further raised through various media publications, including a positive mention in [the Financial Times](#), opinion pieces in [LabourList](#), [The Banker](#), The Yorkshire Post ([here](#) and [here](#)), and a full-page article in the Mirror in March, as well as a column in September, following the roundtable.

Shifting mainstream finance

Mainstream players such as banks and pension funds will have to shift their activities significantly if we are to meet our environmental and social goals. Given their public profile, it is possible to imagine this happening even if they do not fully convert into purpose-driven institutions.

Our 2030 goal is that mainstream financial organisations have aligned their core business activities to deliver a less than 1.5°C increase in global temperature – in line with the Paris Agreement – through financing a just and regenerative economy.

What we did

Bank financing is a central driver of the climate crisis, but is also a critical enabler of a just transition to a zero-carbon economy. Our work to drive institutional change within major banks continued with our final cohort of the [Climate Safe Lending Fellowship](#), co-led with the Climate Safe Lending Network. 18 international Fellows took part in a series of workshops, peer coaching sessions, events and 1-2-1 sessions to develop the skills and knowledge to push their banks to rapidly align with global climate targets. We also continued to run in person and online events throughout the year for our [Climate Safe Learning Lab](#) (CSLL) community, and delivered a 5-month coaching pilot to build strong relationships of trust with members, and gain insights into the challenges and opportunities within their working life and, by extension, the banks they work for.

We published and launched the [Shifting the Financial System: accelerating sustainable finance at banks](#) report, bringing together insights from our engagement with banking professionals across the year, alongside broader commentary on how banks are dealing with sustainability issues today and where the key barriers are for effecting change. We launched this with an in-person [reception](#) event in London during London Climate Action Week, and a [webinar](#) during New York Climate Week.

We also focused on engaging, convening and coordinating a broader set of civil society organisations (CSOs), to increase collaboration between them and mainstream finance organisations, and strengthen the community's campaign work in the longer term. We began by leading a session on climate, nature and the just transition with 18 CSOs at the Lab's [Transforming Finance Conference](#) in July, and from here established a sustainable finance group of 15 organisations that now meets monthly to support information sharing and strategic discussion across CSOs focused on climate policy and regulation.

Building on the successes and the lessons learned from this work to date, we reviewed and evaluated the programme's long term strategy. We conducted internal strategy sessions and engaged our community in the process – including both CSOs and private sector actors – to test ideas and shape our theory of change. The resulting strategy will focus more on strengthening connections between civil society and allies in the financial sector, and on working together to push for progressive policy and regulation. This shift in focus is based on two key insights. Firstly, as highlighted in our report, the cultural and structural barriers within banks and other large financial organisations are such that there needs to be a major shift in the external landscape - especially in terms of strengthened regulation and government policy - to make it possible for climate champions within each institution to drive change. Secondly, our work on financial regulation and conversations with political parties and their advisors,

Shifting mainstream finance (continued)

has reinforced that we need to be able to demonstrate backing for regulation from within the mainstream finance sector to influence the politics and unlock more ambitious action.

The difference we made

Our community work with bankers – the Learning Lab and Fellowship – provided those involved with the tools to make change within their organisations. Formal and informal [feedback received from former Fellows](#) highlights the changes they have been able to progress as a result of the course, with examples including:

Crafting a new sustainability-focused role in their institution, which put them in a position to better influence and accelerate their bank's climate transition.

Successfully advocating for a formal governance structure in their bank that has now been set up to drive climate progress, with two sustainable finance goals now embedded into the bank's business goals for the year.

Successfully influencing top leaders of their bank (with the majority of its lending in high carbon sectors), resulting in buy-in to embed climate into core strategy.

Influencing and educating relationship managers to gather data to assess where clients are with sustainability and enable benchmarking and impact assessment.

We also received strong positive feedback from community members who took part in the peer coaching about the impact this had on their ability to effect change. Two answers we received to the question 'what difference has it made?' in the evaluation survey, were:

'When I enlisted allies in other departments, I was able to effect changes to the credit risk model we use.'

'[W]hen I ask questions and listen people are more willing to tell what they are willing to do. So I go from a No to a partial yes/no which can be enough'

We shared the learnings from this work even further with the *Shifting Mainstream Finance* insights report, which we disseminated via multiple venues, with 20 guests from 13 institutions attending the in-person event; 77 attendees – of which 50% worked for a bank – attending the online launch event; and more than 600 viewing the report online.

Making law, regulation and policy work for people and planet

The financial system is not like most other systems, as the policy and regulatory structure is essential for defining the playing field and rules of the game, and aligning the system to environmental and social goals. These rules may help maintain the status quo but they also hold the key to creating or incentivising major transformative change to the system.

Our 2030 goals are that the ability of civil society organisations to influence finance-related law, regulation and policy is significantly increased; and that financial regulation, law, policy and industry standards support and oblige financial institutions to align to the Paris Agreement and just transition principles.

What we did

Financial sector policy and regulation in the UK is undergoing a 'once in a generation' reform, including major changes to how pensions, insurance, capital markets and banking are regulated. Post-Brexit reforms, coupled with the likelihood of a new government in 2024, are creating a wide variety of both threats and opportunities to build a fairer and more sustainable financial system.

We continued coordinating the [Finance for our Future](#) campaign throughout the bill's passage through parliament, until it was enacted in July. This included writing and distributing our specific [report stage briefing](#) to over 300 Peers of all parties. We worked with peers from various parties to have four amendments tabled on the bill - only three non-government amendments made it to the final stage of the parliamentary debates, and these were all associated with our campaign. We also aided allies including the Financial Inclusion Centre in responding to [HMT's consultation of defining success](#) with regards to competitiveness. Via our various briefings and advocacy, we were also able to influence frontbench thinking on competitiveness – for example, in her [summing up speech](#) on the FSM Bill, Shadow City Minister Tulip Siddiq thanked consumer groups for the input and stressed the importance of competitiveness not interfering with regulators' primary objectives.

We began work on reforming the pensions system in the UK. The UK's pension system is currently failing to deliver for pensioners and savers, for the economy, and for the climate. Working closely with key partners including Make My Money Matter and Share Action, we have undertaken research and policy development - including coordinating workshops and interviews with experts - to develop proposals for a transformed pensions system. We have produced a major [policy paper](#) reviewing the problems in the system and a wide range of proposals for reform. We have begun outreach to a wide variety of civil society groups and allies - including Age UK and the Trades Union Congress - to build a broad-based coalition as the basis for impactful joint campaigning and advocacy in 2024.

We continued to support our community to more effectively advocate for reform, by providing insights into the complex policy and regulatory agenda. In July we delivered the Transforming Finance Network conference, attended by 68 civil society representatives from a broad range of organisations. This was preceded by a background paper setting out key issues in financial sector policy, and providing a summary of the various transformative solutions that have been proposed. We also held regular Transforming Finance and Transforming Data network

Making law, regulation and policy work for people and planet (continued)

sessions, and continued to produce our monthly Policy Forward Look - shared with our community of over 170 experts and practitioners from civil society, academia, the financial sector and politics. The insights and credibility that this work gives us helps to give us access and influence with politicians from across the political spectrum, with good engagement from prominent Conservative and Lib Dem politicians. We also built good relationships with key Labour advisers, providing them with advice, including on some of their green finance [policy development](#).

The difference we made

The Finance for our Future campaign led to [substantive changes to the 2023 Financial Services & Markets Act](#), including preventing a damaging proposal to make sector regulators cheerleaders for the financial sector rather than watchdogs over it, and introducing the first system-wide requirement for regulators to take climate and environmental targets into account when setting all financial services regulation. This is a major milestone on the road to a statutory level mandate on climate and nature protection.

Our work on reforming the pensions system has already succeeded in getting the key environmental campaigning groups to back a transformative set of proposals that work for people and the economy as well as the planet, and we are confident that these will also gain support from trades unions, pensioners' groups, new economy groups and potentially supporters within the industry. This puts us in a good position going into 2024, with the basis for joint working set, and the potential to explore joint advocacy and campaigning in this area.

Our allies continue to find our work useful and strategically important for their campaigning, advocacy, and strategy and policy development, as evident from feedback such as one email response to a Policy Forward Look mailing called it an "invaluable resource". It has also helped us develop good relationships with senior staff in the key regulators and with policy makers and political parties.

The Lab holds a unique coordinating ability within the finance reform space given our wide policy remit. We've ensured that, during a busy time of legal and regulatory change, key consultations and calls for evidence are noticed by civil society and responded to - this is vital in ensuring that a non-industry voice is heard by government and regulators.

Building our community of changemakers

We build the power of our community by developing its size and diversity, facilitating connections, nourishing the people within it, advancing new thinking, and by supporting the development and growth of initiatives for change.

Our 2030 goal is that our community of committed and connected systems-changemakers have demonstrated their power to transform the financial sector and grow purpose-driven finance, shift mainstream finance, shrink unaccountable finance, and influence law, regulation and policy.

Our community remained central to the Lab's activities and impact in 2023. As outlined in the other programme sections above, coalition-building and the involvement of industry, CSOs and those with lived experience of financial exclusion were at the heart of our work both operationally and strategically. We shared insights across from our community via our newsletter, blogs and social media channels, and supported them with our monthly round-up of finance news.

The Director of Programmes and Campaigns is devising a focused, cross-programme approach to our community work, which will form part of our wider strategy refresh in 2024.

Shaping the debate

In addition to [various short articles](#) available on the Lab's website, we issued the following publications across our four programmes:

- In January, we coordinated a [House of Lords climate briefing](#) on the Financial Services and Markets Bill, alongside partners WWF, Global Witness, E3G and ShareAction. In June, we published a related [Report Stage](#) briefing.
- In February, we drafted a [Parliamentary briefing on the proposed Fair Banking Act](#) (prev. Community Reinvestment Act).
- In March, we published the findings from the Transforming Finance Network, NEON and Public First's research into [public attitudes towards financial regulation](#), and the guide produced with NEON on [how to talk about finance industry reform](#).
- Also in March, we published the [Fair Banking Act Policy Paper](#), exploring the potential for this to transform our financial system.
- In April, we submitted [written evidence to the Treasury Select Committee](#) Inquiry about our fears that the Edinburgh Reforms represent a concerning direction of travel that increases the risk to citizens and consumers of future financial instability.
- Also in April, we joined Positive Money, Financial Inclusion Centre, Transparency Task Force, New Economics Foundation and Finance Watch in signing a [joint statement on the implementation of the Basel 3.1 standards](#), arguing that the UK's implementation of these global standards must ensure high standards are maintained across the UK banking system, and that future rules should integrate climate risks.
- In September, we published the [Shifting the Financial System: Accelerating sustainable finance at banks](#) report with Climate Safe Lending Network sharing key insights from the banking professionals working to help their institutions take greater climate action.
- In October, we submitted a [response to the consultation on pension trustees](#) run by HM Treasury and the Department for Work and Pensions.
- In December, we published a report with Financial Inclusion Centre on [AI in Financial Services](#), providing examples of the big risks presented to financial services by the increased adoption of AI.
- We continued producing a regular summary and analysis of all major financial sector policy, regulatory and legislative processes, alongside briefings with organisations, journalists, and policy makers to share insights from it.
- We published our monthly Changing Finance roundup of key news stories relating to transforming the financial system for people and planet.

In recognition of the Lab's expertise, our team are frequently cited or asked to share their expertise in various settings. We were widely quoted in the media and had pieces carried by a variety of publications including the Financial Times, Yorkshire Post, Daily Mirror and elsewhere.

2024 and beyond

2023 saw us take forward our strategy (available from our website at: <http://filab.uk/ourstrategy>) across all four of our programmes. Going into 2024, we will undertake a light strategy review and refresh, reflecting on learnings from the last four years, and adapting our approach to changes in the external environment. Momentum will continue within the programmes alongside this, with key plans including:

- coalesce green groups around a progressive position on **fair, green pensions**, and expand the coalition to include pensions and consumer rights groups, trade unions, new economy groups and backing from progressive elements within the industry, with a view to building a campaign focussed on the next government
- bring together a **coalition of groups working on sustainable finance policy and regulation** and related engagement with government, financial regulators and mainstream financial institutions, to support the development of more effective and strategically aligned campaigns to influence government policy for climate and nature outcomes.
- **engage with the private sector on our climate policy and regulation advocacy**, and devise a vision for their role in relation to this work
- gain further **political commitment to the Fair Banking Act**, and engage with private sector actors alongside our existing coalition to help achieve this
- further **develop our community of people with lived experience of financial exclusion**, via the Fair Banking for All campaign but with the intention of building deeper relationships for the longer term
- continuing to support individuals and organisations representing the public interest to improve financial sector policy making, with the publication and analysis of policy information and key developments, through our **Policy Forward Look** publications, and **Transforming Finance and Transforming Data network meetings**
- continuing building and supporting our community of those inside and outside the financial sector who want to transform finance, through outreach, activities and events, and ongoing thought engagement work, including developing an ambitious future agenda for transformative financial systems change

Our structure and governance

The Finance Innovation Lab was established as a Company Limited by Guarantee (CLG, number 09380418) on 8 January 2015 and became a Registered Charity (number 1165269) on 22 January 2016. Our constitutional documents are our Articles of Association.

Our Board

The board can consist of up to fourteen trustees, all able to serve two terms of three years. Sub-committees of the board are convened to expedite the execution of duties. Current sub-committees are the Finance and Operational Risk committee, which meets quarterly, and the Communications and Fundraising Committee, which meets twice a year. In addition, the Chair and Vice Chairs met together with the CEO and Director of People, Resources and Operations every other month.

Trustee recruitment is conducted via an open application process advertised via various different channels. Induction support is provided to all new trustees by the staff team and Chair. This includes copies of relevant policies, procedures, and governance information. The trustees who served during the financial period were:

David Bartram	
Christopher (Kit) Beazley (Chair)	
Katherine Boswell	
Mikael Down	
Nana Francois	
Alice Merry	
Emma Faulkner	Appointed 31 January 2023
Thobeka Ngcobo (Treasurer)	Appointed 23 May 2023
David Carrington	Retired 31 January 2023
Casey Lord	Resigned 26 May 2023
Katherine Ormiston Smith	Retired 24 October 2023
Amit Shah	Resigned 24 October 2023

Our structure and governance (continued)

Our team

Day-to-day management is delegated to the Chief Executive Officer.

The Lab team during 2023 was:

Jesse Griffiths	Chief Executive Officer
Rebecca Sumner Smith	Chief Operating Officer
Holly May	Director of People, Resources and Operations
Nick Bryer	Director of Programmes and Campaigns (from 19 June 2023)
Marloes Nicholls	Head of Policy and Advocacy
Jon Dennis	Head of Climate-Safe Banking
Sam Rex-Edwards and Kay Polley	Head of Movement Building and Campaigns (job-share)
Thomas Shields	Policy and Public Affairs Manager
Alexandra Spencer	Intrapreneurship Programme Manager
Yvonne Morris	Operations and Events Manager
Sarah Emm	Finance Manager
Gurjinder Khambay	Programme and Communications Officer

Key management personnel during the year were Jesse Griffiths, Rebecca Sumner Smith, Holly May and Nick Bryer.

Remuneration is reviewed and agreed annually by the trustees with reference to salary bands which have been set after consideration of external benchmarking. The Lab is an accredited Living Wage employer and we are committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain people with the right skills to have the greatest impact in delivering our charitable objectives.

We also worked with a range of freelancers during the year who brought invaluable insight and skill to our work, including: David Fagleman, Natalie Tucker, Mark Hemingway, Anna Johnston, Jacqueline Lim, Daniel Stanley, Sarah King, Becca Bartholomew, and Rebecca Self.

Compliance with the Charity Governance Code for smaller charities

The Charity Governance Code ('the Code') is a voluntary code intended to help charities in England and Wales, and their trustees, develop high standards of governance. The Code has been designed as a tool to support continuous improvement – something core to the Lab's values and systems-focused approach. The Lab is committed to the aims of the Code. As such, the trustees have resolved to adopt the Code and the Principles as a tool to identify areas to focus on.

An updated version of the Code was released in December 2020. In 2021, the trustees engaged in a review of the Lab's governance in line with the Code practice. This review was refreshed during 2023, confirming that diversity, inclusion, equity and justice continues to be the key area requiring focus (see below).

Our structure and governance (continued)

Diversity, inclusion, equity and justice (DIEJ)

The Lab is committed to providing equality and fairness for all and not to discriminate on any basis, including gender, marital status, race, ethnic origin, colour, nationality, national origin, disability, sexual orientation, mental health, religion or age. From the outset, the Lab has worked to build a culture which is open and inclusive, and which actively supports diversity, inclusion, equity and justice (DIEJ) in our internal practices as well as our programmatic work.

As part of our work on the updated Charity Governance Code, in 2021-2022 the Lab set up a time-bound DIEJ working group consisting of board and team members, and this group has been re-established in 2023-2024 to deepen our work. This is an area of ongoing focus, updates from which are periodically shared on our website.

Financial review

Where did our money come from?

In 2023, we received income from the following sources:

	2023 (£)
Grants and donations	
The Sunrise Project	£224,377
Laudes Foundation	£151,986
Joseph Rowntree Charitable Trust	£75,100
Partners for New Economy	£59,383
Barrow Cadbury Trust	£55,250
Friends Provident Foundation	£50,000
JJ Charitable Trust	£50,000
Multiplier	£38,885
Joffe Charitable Trust	£33,000
Tudor Trust	£30,000
Network for Social Change	£19,120
Pickwell Foundation	£4,000
Consultancy Income	£ 41,627
Donations	£20
Interest and reimbursed expenses	£637
Total	£833,385

Financial review (continued)

What did we spend it on?

Our biggest cost is our team: the talented staff and freelancers who design and deliver our programmes.

Our largest other areas of spend in 2023 were rent, IT, accounting and hosting events.

	2023 (£)
Staff costs	£594,798
Freelance staff	£107,421
Rent, IT and other running costs	£69,810
Accountancy, audit and legal fees	£29,341
Venues and hosting events	£11,794
Communications and research	£7,443
Meetings, travel and subsistence	£8,031
Total	£828,638

Results for the year

Total income for the year was £833,385 (2022: £802,779) of which £203,634 was unrestricted (2022: £285,977) and £629,751 was restricted (2022: £516,802). Unrestricted expenditure was £192,643 (2022: £276,929) resulting in a surplus on unrestricted funds for the year of £10,991 (2022: surplus of £9,048). Restricted expenditure was £635,995 (2022: £465,374) resulting in a deficit on restricted funds for the year of £6,244 (2022 – surplus of £51,428).

Our financial position

The trustees set the Lab's target reserves at a level sufficient to ensure our financial stability and ability to meet our charitable objectives for the foreseeable future. Our target is to maintain reserves at a level that is at least equivalent to three months' core operational expenditure. The trustees review the amount of reserves that are required on a quarterly basis.

At 31 December 2023, the Lab had unrestricted reserves of £136,761, which represented 53% (or 6.39 months) of core operational expenditure. Having reviewed both the policy and reserves level, the trustees consider the level of reserves held to be appropriate.

Principle risks and uncertainties

The Trustees actively review both the strategic and operational risks that the Finance Innovation Lab faces. These cover both short and long-term risks and in particular concern financial sustainability and reputation.

Principle risks and uncertainties facing the Lab during 2023 included:

- ◆ The **risk of having insufficient funding and staff** to deliver our ambitious programme of work, leading to the potential for staff burnout and/or poor quality delivery. This risk is actively mitigated in a number of ways, including various policies to support staff welfare, active workload management, and seeking additional funding sources to alleviate pressure rather than simply add additional requirements into our work.

Principle risks and uncertainties (continued)

- ◆ The **risk of long-term staff sickness** impacting the ability of the Lab to deliver. This is particularly relevant given we are a small team. We mitigate this risk similarly to the above – working to ensure there is capacity within the team and budget to flex to unforeseen circumstance – alongside a comprehensive business continuity plan.

The Trustees confirm that they are satisfied that strategies, systems and controls are, as far as possible, in place to mitigate significant risks, including those presented by the coronavirus pandemic and measures taken by public authorities to control it.

The Finance and Operational Risk Committee (FORC) of the Board of Trustees regularly reviews the Lab's risk register. The FORC's principal role is one of oversight and scrutiny and it does not relieve the Board of its responsibilities for the monitoring and management of risk. The risk register is also reviewed regularly by the Board of Trustees.

Thank you

The Lab exists to change one of the most powerful, unequal, unsustainable and unaccountable systems in the world: the financial system.

We didn't take this on because it's easy to achieve or easy to fund. We took it on because we believe that transforming the financial system is the key to tackling all of the major challenges we face, from the climate and nature crisis, to inequality, poverty, marginalisation and exclusion.

We believe it can be done. And we have the courage to try.

We'd like to express our sincere thanks to all of those who have made our journey possible so far, including:

- ◆ The Lab team and trustees.
- ◆ Our funders, donors and supporters in the UK and beyond.
- ◆ Our Senior Fellows: Bertrand Beghin, Christine Berry, Fran Boait, Gemma Bone Dodds, Diane Burridge, Martin Campbell, Bruce Davis, Simon Deane-Johns, Anna Fielding, Tony Greenham, Julia Groves, Malcolm Hayday, Nonhlanhla Makuyana, Reema Patel, Faith Reynolds, Karl Richter, Brett Scott, James Vaccaro, Emma Vartolomei and Bryan Zhang.
- ◆ The Lab's founding partners, WWF-UK and ICAEW.
- ◆ The Lab's co-founders: Charlotte Millar, Jen Morgan, Rachel Sinha and Richard Spencer.

Statement of trustees' responsibilities

The trustees (who are also Directors of Finance Innovation Lab for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in 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);
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Each of the trustees confirms that:

- ♦ so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ♦ the trustee has taken all the steps that they ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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.

Trustees' Report Year ended 31 December 2023

Approved by the trustees of the charity on

and signed on its behalf by:

Trustee

Independent auditor's report to the members of Finance Innovation Lab

Opinion

We have audited the financial statements of Finance Innovation Lab (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the cash flow, the principal accounting policies and the notes to the financial statements. 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 2023 and of 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 charitable company'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 and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

Other information (continued)

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 is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

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, 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.

Responsibilities of trustees (continued)

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- ◆ identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Hugh Swainson, Senior Statutory Auditor
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date:

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 December 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £
Income from:				
Donations	3	161,612	629,751	791,363
Charitable activities	4	41,627	-	41,627
Investment income		395	-	395
Total income		<u>203,634</u>	<u>629,751</u>	833,385
Expenditure on:				
Raising funds	6	(28,083)	(30,436)	(58,519)
Charitable activities	5	(164,560)	(605,559)	(770,119)
Total expenditure		<u>(192,643)</u>	<u>(635,995)</u>	(828,638)
Net income and net movement in funds		<u>10,991</u>	<u>(6,244)</u>	4,747
Reconciliation of funds				
Total funds brought forward		136,006	166,726	302,732
Total funds carried forward	17,19	<u>146,997</u>	<u>160,482</u>	307,479

Comparative figures for the year ended 31 December 2022:

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £
Income from:				
Donations	3	235,195	516,802	751,997
Charitable activities	4	50,709	-	50,709
Investment income		73	-	73
Total income		<u>285,977</u>	<u>516,802</u>	802,779
Expenditure on:				
Raising funds	6	(20,866)	(26,945)	(47,811)
Charitable activities	5	(256,063)	(438,429)	(694,492)
Total expenditure		<u>(276,929)</u>	<u>(465,374)</u>	(742,303)
Net income and net movement in funds		<u>9,048</u>	<u>51,428</u>	60,476
Reconciliation of funds				
Total funds brought forward		126,958	115,298	242,256
Total funds carried forward	17,19	<u>136,006</u>	<u>166,726</u>	302,732

All of the charity's activities derive from continuing operations during the above two periods.

Balance sheet Year ended 31 December 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible fixed assets	13	10,236	13,026
Current assets			
Debtors	14	16,356	2,823
Cash at bank and in hand		324,606	369,889
		340,962	372,712
Creditors: amounts falling due within one year	15	(43,719)	(83,006)
Net current assets		297,243	289,706
Net assets		307,479	302,732
Funds of the charity:			
Restricted funds	19	160,482	166,726
Unrestricted funds		146,997	136,006
Total funds	17	307,479	302,732

The financial statements on pages 25 to 37 were approved by the trustees, and authorised for issue on and signed on their behalf by:

Trustee

Finance Innovation Lab: A company limited by guarantee. Company Registration No. 9380418 (England and Wales).

Statement of cash flows Year ended 31 December 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash (used in)/ provided by operating activities	A	(43,670)	109,224
Cash flows from investing activities:			
Interest received		395	73
Purchase of tangible fixed assets		(2,008)	(9,289)
Net cash used in investing activities		(1,613)	(9,216)
Change in cash and cash equivalents in the year		(45,283)	100,008
Cash and cash equivalents at 1 January 2023	B	369,889	269,881
Cash and cash equivalents at 31 December 2023	B	324,606	369,889

Notes to the statement of cash flows for the year to 31 December 2023.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	4,747	60,476
Adjustments for:		
Interest receivable	(395)	(73)
Depreciation charge	4,798	3,751
Decrease (increase) in debtors	(13,533)	(2,273)
(Decrease) increase in creditors	(39,287)	47,343
Net cash (used in) provided by operating activities	(43,670)	109,224

B Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	324,606	369,889
Total cash and cash equivalents	324,606	369,889

C Analysis of changes in net debt

	2022 £	Cash flows £	2023 £
Cash at bank and in hand	369,889	(45,283)	324,606
	369,889	(45,283)	324,606

1 Charity status

The charity is a company limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Principal accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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) and the Companies Act 2006.

Basis of preparation

Finance Innovation Lab meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees have considered the impact of the cost of living crisis on the charity and put measures into place to ensure the Lab can continue its operations as described in the trustees' report. Although all of the future fundraising is not yet confirmed, given existing funding commitments in place the trustees consider there are currently no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

2 Principal accounting policies (continued)

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computer equipment	25% straight line

2 Principal accounting policies (continued)

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

3 Income from donations

	Unrestricted funds £	Restricted funds £	Total 2023 £
Grants from:			
- Charities	161,592	629,751	791,343
- Individuals	20	-	20
	161,612	629,751	791,363
	Unrestricted funds £	Restricted funds £	Total 2022 £
Grants from:			
- Charities	235,000	516,802	751,802
- Individuals	195	-	195
	235,195	516,802	751,997

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2023 £
Consultancy (social and sustainable finance and financial reform)	41,627	-	41,627
	41,627	-	41,627
	Unrestricted funds £	Restricted funds £	Total 2022 £
Consultancy (social and sustainable finance and financial reform)	50,709	-	50,709
	50,709	-	50,709

5 Expenditure on charitable activities

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £
Direct costs		21,142	34,865	56,007
Staff costs	11	105,010	351,827	456,837
Freelance staff		1,401	102,996	104,397
Allocated support costs	7	37,007	115,871	152,878
		164,560	605,559	770,119
	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £
Direct costs		28,007	25,169	53,176
Staff costs	11	81,902	273,140	355,042
Freelance staff		13,239	135,833	149,072
Allocated support costs	7	132,915	4,287	137,202
		256,063	438,429	694,492

6 Expenditure on fundraising costs

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £
Staff costs	11	21,460	19,936	41,396
Consultants		3,024	-	3,024
Other		247	-	247
Allocated support costs	7	3,352	10,500	13,852
Total		28,083	30,436	58,519

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £
Staff costs	11	7,955	26,529	34,484
Allocated support costs	7	12,911	416	13,327
Total		20,866	26,945	47,811

7 Support costs

	Notes	Fundraising costs £ Note 6	Charitable activities £ Note 5	Total 2023 £
Governance	8	924	10,202	11,126
Staff costs	11	8,023	88,542	96,565
Finance		20	219	239
IT		1,088	12,011	13,099
Legal and Professional		1,956	21,586	23,542
Establishment		1,665	18,375	20,040
Other		176	1,943	2,119
Total		13,852	152,878	166,730

	Notes	Fundraising costs £ Note 6	Charitable activities £ Note 5	Total 2022 £
Governance	8	553	5,691	6,244
Staff costs	11	5,525	56,879	62,404
Finance		25	255	280
IT		1,099	11,317	12,416
Legal and Professional		5,274	54,300	59,574
Establishment		842	8,672	9,514
Other		9	88	97
Total		13,327	137,202	150,529

8 Governance costs

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £
Board costs	10	220	106	326
Audit fees	9	-	10,800	10,800
Total	7	220	10,906	11,126

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £
Board costs	10	-	244	244
Audit fees	9	4,840	1,160	6,000
Total	7	4,840	1,404	6,244

9 Net income

	Notes	2023 £	2022 £
Net income for the year is stated after charging:			
Audit fees (including VAT)	8	10,800	6,000
Operating leases – land and buildings		13,798	4,822
Depreciation		4,798	3,751

10 Trustees' remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2022: Nil).

No trustees have received any other benefits from the charity during the year (2022: Nil).

Expenses totalling £88 (2022: £87) for board meeting refreshments were spent during the year.

One Trustee (2022: four) was reimbursed expenses £237 (2022: £156) for travel to meetings.

Gifts to the value of £237 (2022: £97) were provided to Trustees on their retirement from the Lab or subsequent to suffering a bereavement.

11 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	515,980	392,493
Social security costs	50,510	39,688
Employer pension contribution	28,308	19,749
	594,798	309,552

11 Staff costs (continued)

Key management personnel remuneration, which includes employer's National Insurance and pensions, for the year was £236,240 before tax (2022: £158,364). This has increased due to expansion of the senior management team.

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as average headcount was as follows:

	2023 No	2022 No
Average number of employees	13	10

The number of employees whose emoluments, excluding employers National Insurance and pensions, fell within the following bands was:

	2023 No	2022 No
£60,000 - £70,000	0	1
£70,000 - £80,000	1	1

12 Taxation

Finance Innovation Lab is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

13 Tangible fixed assets

	2023 Total (computer equipment) £
Cost	
At 1 January 2023	23,964
Additions	2,008
Disposals	-
At 31 December 2023	25,972
Depreciation	
At 1 January 2023	10,938
Charge for the year	4,798
Disposals	-
At 31 December 2023	15,736
Net book value	
At 31 December 2023	10,236
At 31 December 2022	13,026

14 Debtors

	2023 £	2022 £
Accrued income and other debtors	11,950	-
Prepayments	4,406	2,823
	16,356	2,823

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,957	44,810
Other taxation and social security	14,641	11,730
Accruals and deferred income	27,121	26,466
	43,719	83,006

16 Financial commitments

At 31 December the charity had no lease commitments under non-cancellable operating leases.

17 Funds

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2023 £
Unrestricted funds					
General	136,006	203,634	(192,643)	-	146,997
Restricted funds	166,726	629,751	(635,995)	-	160,482
Total funds	302,732	833,385	(828,638)	-	307,479

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2022 £
<i>Unrestricted funds</i>					
<i>General</i>	126,958	285,977	(276,929)	-	136,006
<i>Restricted funds</i>	115,298	516,802	(465,374)	-	166,726
<i>Total funds</i>	242,256	802,706	(742,303)	-	302,732

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Tangible fixed assets	10,236	-	10,236
Net current assets	136,761	160,482	297,243
Total net assets	146,997	160,482	307,479
	Unrestricted funds £	Restricted funds £	2022 Total funds £
Tangible fixed assets	7,313	5,713	13,026
Net current assets	128,693	161,013	289,706
Total net assets	136,006	166,726	302,732

19 Restricted funds

Fund	Balance at 1 January 2023 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2023 £
Barrow Cadbury Trust	12,500	49,000	(50,000)	-	11,500
Partners for a New Economy	61,028	59,383	(99,689)	-	20,722
Joffe Charitable Trust	15,000	33,000	(31,500)	-	16,500
The Sunrise Project	45,888	224,377	(173,505)	-	96,760
Multiplier	-	38,885	(38,885)	-	-
Network for Social Change	-	19,120	(19,120)	-	-
Laudes Foundation	32,310	151,986	(169,296)	-	15,000
JJ Charitable	-	50,000	(50,000)	-	-
Pickwell Foundation	-	4,000	(4,000)	-	-
Total restricted	166,726	629,751	(635,995)	-	160,482

Fund	Balance at 1 January 2022 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2022 £
Barrow Cadbury Trust	17,783	50,500	(55,783)	-	12,500
Partners for a New Economy	54,156	129,764	(122,892)	-	61,028
Joffe Charitable Trust	14,917	30,000	(29,917)	-	15,000
The Sunrise Project	12,339	146,329	(112,780)	-	45,888
Green America	16,103	-	(16,103)	-	-
Network for Social Change	-	20,000	(20,000)	-	-
Laudes Foundation	-	99,993	(67,683)	-	32,310
Multiplier	-	40,216	(40,216)	-	-
Total restricted	115,298	516,806	(465,374)	-	166,726

Partners for a New Economy – strategic grant supporting the Lab's work to build a financial system that serves people and planet, including innovation, intrapreneurship, advocacy and testing approaches to scaling our impact.

Barrow Cadbury Trust, Network for Social Change, Laudes Foundation, The Sunrise Project, Joffe Charitable Trust and Pickwell Foundation – project grants for our programme focusing on financial policy and regulation.

The Sunrise Project and Multiplier – project grants for our programme focusing on shifting mainstream finance.

JJ Charitable Trust – grant for employing our new Director of Programmes.

20 Related party transactions

Other than disclosed in note 10, there were no related party transactions to report in 2023 (2022: none).

Accounts



Annual Report and Financial Statements

(A company limited by guarantee)

31 December 2022

Company Registration Number
09380418 (England and Wales)

Charity Registration Number
1165269 (England and Wales)

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References and Administrative Information Year ended 31 December 2022

Trustees	Brhmie Balaram (resigned 24 May 2022) David Bartram Christopher (Kit) Beazley (Chair) Simon Borkin (resigned 25 February 2022) Katherine Boswell David Carrington (resigned 31 January 2023) Mikael Down Emma Faulkner (appointed 31 January 2023) Nana Francois Casey Lord (resigned 30 May 2023) Alice Merry Thobeka Ngcobo (appointed 23 May 2023) Katherine Ormiston Smith (Treasurer) Amit Shah
Chief Executive Officer	Jesse Griffiths
Principal Address	10 Salamanca Place London SE1 7HB
Company registration number	09380418
Charity registration number	1165269
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	Unity Trust Bank PO Box 7193 Planetary Road Willenhall WV1 9DG

Trustees' Report Year ended 31 December 2022

The trustees, who are Directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 32 to 34 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in *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 United Kingdom and Republic of Ireland (FRS 102) have been followed in the preparation of this report and accounts.

Our vision

Our vision is a financial system that serves people and planet – one that's democratic, sustainable, just and resilient.

Democratic	a transparent and accountable financial system, where all people can participate in the rule-making and institutions that shape it.
Sustainable	a financial system that helps meet society's long-term needs and supports human flourishing on a thriving planet.
Just	a financial system that promotes diversity and equality and protects human rights.
Resilient	a financial system that provides security and stability for all, and for the real economy.

The need

Our financial system has become disconnected from the real needs of people, the environment, the wider economy and society. Dysfunctions in the financial system lie at the root of today's challenges, from climate change and economic crises, to poverty, marginalisation, vulnerability and inequality.

It doesn't have to be this way. People created the system and people can change it. We can transform the financial system so that it puts people and planet first.

What we do

We focus on transformative systems change; deep, lasting change in the financial system that impacts:

- ◆ **Mental models** – the social and cultural mindsets, narratives, norms and values that make up and perpetuate what we believe is normal.
- ◆ **Power dynamics** – power dynamics determine how the system operates, who gets most influence, and whose interests prevail.

What we do (continued)

We know we can't do this alone. Our role is to build power to make this change happen, by:

- ♦ **Cultivating a powerful community of systems-changemakers** – from inside and outside the financial system, including innovators and influencers from values-based finance, fintech, mainstream finance, civil society organisations, governmental organisations and academia.
- ♦ **Working on high impact initiatives with clear leverage points** – to achieve concrete changes that shift mental models and power dynamics to transform the financial system.

Our current initiatives are grouped into four programmes targeting the key financial system impacts needed to meet our vision:

- ♦ **Growing purpose-driven finance** – significantly expanding the size and impact of financial institutions that put social and environmental purpose at the heart of their mission, and supported by their ownership, governance, culture, and business models will be key to building the financial system of the future.
- ♦ **Shifting mainstream finance** – mainstream players such as banks and pension and insurance funds will have to shift their activities significantly if we are to meet our environmental and social goals.
- ♦ **Influencing law, regulation and policy** – the financial system is structured by policy and regulation which define the playing field and rules of the game, and the system's alignment to environmental and social goals. These rules hold the key to creating or incentivising major transformative change to the system.
- ♦ **Building our community** – we build the power of our community by developing its size and diversity, facilitating connections, nourishing the people within it, advancing new thinking, and by supporting the development and growth of initiatives for change.

Our work in 2022

2022 saw many successes, including seeing our Finance for the Future campaign coalition positively influence regulation within the proposed Financial Services and Markets Bill, working with a growing group of purpose-driven financial institutions to design a campaign for the implementation of a Fair Banking Act, and seeing 23 climate leaders within banks complete our first Climate Safe Lending Fellowship. We also developed a new website, to better communicate our work and improve opportunities for collaboration and engagement.

We published a number of key reports, articles and proposals, were widely quoted in the mainstream press, and were listed in the [top 100 social enterprises for 2022](#) (Natwest, SE100), and [Escape the City's 'Escape 100'](#) list of best 100 organisations to work for, based on criteria including impact, mission, and people.

Simon Borkin and Brhmie Balaram left the board after three years with the Lab. In 2023 our Treasurer leaves after 6 years and we are recruiting a replacement. Our Trustees-in-Training scheme ended in November, with participants rating 9.3 out of 10 to 'How likely are you to you recommend the programme to a friend or peer looking to gain board experience?'. Of the four, two are joining our board in 2023, and a third has joined the board at another charity.

Charitable objects

The objects of the Charity are for the public benefit:

1 The promotion of ethical principles in financial systems for the public benefit including (but not limited to) by:

1.1 Advancing education and promoting research into the UK and international financial systems and their constituent elements including in particular, areas of change and innovation within those systems, emergent trends, new financial business models and impacts of investments on society and the environment; and publishing or otherwise disseminating the results of such research and providing a forum for its discussion;

1.2 Promoting sustainable development by:

a. promoting the preservation and conservation of the natural environment and the prudent use of natural resources and ecological processes; and

b. promoting sustainable means of achieving economic progress and regeneration.

In this context, "sustainable development" means development that meets the needs of the present generation without compromising the ability of future generations to meet their needs.

2 Relief of poverty and improving the conditions of life in socially and economically disadvantaged communities.

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Growing purpose-driven finance

Significantly expanding the size and impact of those financial institutions that put social and environmental purpose at the heart of their ownership, mandate, governance, culture, and business model will be key to building the financial system of the future.

Our 2030 goal is that purpose-driven financial institutions become mainstream in the UK, with a significant proportion of the public using purpose-driven financial institutions which hold an important share of total assets.

What we did

Our work in 2022 focused first on developing a detailed strategy for the programme, in consultation with our community of purpose-driven finance institutions, civil society organisations (CSOs), academics and other allies.

The strategy focuses on building a powerful coalition - rooted in the experience of those whose lives have been blighted by financial exclusion - capable of challenging the iniquity within the UK's financial system and getting the government to enact transformative solutions. At present, the UK's financial system fails millions, and simply is not designed to serve people already marginalised through inequality and poverty. In particular, it creates barriers for those already facing exclusion, including women, people of colour, and people with disabilities. For example, the FCA's *Alternatives to High-Cost Credit* report found that even before the pandemic over 10 million people in the UK, mostly on low incomes, had few, or no, options to access credit. As a result, around 3 million people use high-cost credit providers when, for example, they face an unexpected expense. Even worse, an in depth 2022 Centre for Social Justice report estimated that over one million people in the UK are forced to turn to illegal money lenders such as loan sharks. This inability to access an essential financial service – responsible credit to help with unexpected shocks or temporary financial problems – contributes to the poverty premium, rising levels of problem debt, and financial vulnerability, which the cost of living crisis is worsening. It is part of a broader problem of a financial system that systematically excludes millions from essential financial services.

Our coalition strategy focuses on the introduction of a Fair Banking Act (FBA), a step-change solution which would mandate mainstream banks, purpose-driven finance institutions and regulators to work in partnership to address financial exclusion.

A campaign plan for the formation of a powerful coalition to win the introduction of an FBA was devised in consultation with the community via workshops in June and October, and with advice from people with experience of a similar piece of legislation in the USA. This was supported by the production of the [Financing Up: Why Levelling Up requires purpose-driven finance organisations](#) report (authored by Lab Senior Fellow Christine Berry and the Lab's CEO, Jesse Griffiths), setting out the arguments for an FBA, and a parliamentary briefing paper.

The final part of the year saw the team working on an FBA policy paper which will this year be used to promote the inclusion of an FBA in campaign manifestos for the main political parties. We were pleased that this paper was able to be peer reviewed with detailed comments from seven peer reviewers as well as overarching comments from a further eight organisations within the community.

Growing purpose-driven finance (continued)

The difference we made

In 2023, we successfully built the power of our community and produced the behind-the-scenes analysis, strategic planning, coalition-building, and coordination necessary to deliver a well-researched and powerfully organised campaign in 2023.

We have laid the groundwork for success over the past two years, with commitment from key national and local organisations already giving their time and expertise to a coalition, with the Lab acting as convener. Of the 33 most active organisations, 18 are purpose-driven responsible finance providers which focus on working directly with local communities to tackle disadvantage practically, for example by supporting people on low incomes to access affordable credit, or providing money advice. 16 are organisations tackling financial exclusion and poverty with expertise in specific areas, for example Fair4All Finance, Responsible Finance, and Debt Justice. We also have the support of four academic institutions who are experts in financial exclusion, policy, and research. We have been working to ensure that people with lived experience are engaged to the campaign, and become central to future work of this coalition.

The work we have done with the coalition in developing a high-level policy position on the Fair Banking Act has deepened our relationships and strategy. The [coalition policy paper](#) is co-branded by six key organisations, with support from two more, and this collaborative approach enabled us to set out a clear rationale and set of asks to policy makers. The paper has provided the coalition with an agreed position to coalesce around and use within their own work, and will serve as an opening point to build relationships with organisations that we hope to engage as supporters of the campaign.

The paper and coalition building work provides the starting point to launch the campaign in 2023 with the aim of securing commitment to a Fair Banking Act in the manifestos of political parties ahead of the next general election.

Shifting mainstream finance

Mainstream players such as banks and pension funds will have to shift their activities significantly if we are to meet our environmental and social goals. Given their public profile, it is possible to imagine this happening even if they do not fully convert into purpose-driven institutions.

Our 2030 goal is that mainstream financial organisations have aligned their core business activities to deliver a less than 1.5°C increase in global temperature – in line with the Paris Agreement – through financing a just and regenerative economy.

What we did

This year saw the continuation of our work to build and empower our community of climate 'intrapreneurs' - committed climate champions working within big banks - to push those banks to rapidly align with global climate targets.

Partnering with the Climate Safe Lending Network (CSLN), we launched the [Climate Safe Learning Lab](#) (CSLL), which now has 162 members from 31 countries actively engaged in learning from each other and other experts and developing ideas and proposals for how to make the banking system take climate goals seriously enough.

They receive regular email communications, participate in events such as 'Credibility in the Climate Transition' in October, and the 'Post-COP 27 debrief' in November, as well as building relationships with like-minded peers and discussion of strategies for change. Alongside this, our first [Climate Safe Lending Fellowship](#) programme came to an end, with 23 Fellows undertaking a range of workshops, peer coaching, network-building and tailored support. 18 participants joined the new 2023 cohort in January.

We continued to focus on building relationships with campaigners and others pressurising banks from the outside, sharing strategic intelligence with them to sharpen their campaigns. This included sharing insights from the CSLL in our report, [Catalysing bank climate action: Lessons from the inside](#), which was launched at an online event, with 362 bankers, bank stakeholders and campaigners registered. We disseminated the report widely to help stakeholders understand the barriers and opportunities for shifting banks on climate goals. We also designed and recruited for the next Fellowship, which began in January 2023, on the theme of 'credibility in the climate transition.'

During the year, Lydia Hascott, who set up our programme, left after four successful years, and was replaced by Jon Dennis, who brings experience from the finance sector and specialist expertise in sustainable finance.

Shifting mainstream finance (continued)

The difference we made

The Climate Safe Learning Lab continues to create a unique confidential, pre-competitive space for bankers from around the globe to engage on climate, and our work with campaigners and other stakeholders means that we can harness their expertise and commitment to support the wider movement for change in banking. For example, a Chief Risk Officer at a large Middle Eastern bank invited campaigners to speak to their senior leadership team in order to mobilise support for her new Climate Risk Management Strategy.

Our Climate Safe Lending Fellowship programme is building the knowledge, networks, confidence and skills of intrapreneurs acting for climate action within their institutions. 95% of our 2021-22 cohort of the CSLF [reported](#) improvement across objectives such as ability to progress climate action, ability to influence power holders, and expanding networks and connections. Impact was also recorded at fellows' organisations, including: influencing the global risk function of one bank to adopt a climate risk management framework; getting another bank to build climate risk into the client and transaction onboarding due diligence process; and persuading top leaders of another bank to embed climate into their bank's core strategy.

One fellow, a sustainability director at a bank said "this Fellowship has been instrumental in shaping my thinking and making progress on topics that we haven't done in the past."

Making law, regulation and policy work for people and planet

The financial system is not like most other systems, as the policy and regulatory structure is essential for defining the playing field and rules of the game, and aligning the system to environmental and social goals. These rules may help maintain the status quo but they also hold the key to creating or incentivising major transformative change to the system.

Our 2030 goals are that the ability of civil society organisations to influence finance-related law, regulation and policy is significantly increased; and that financial regulation, law, policy and industry standards support and oblige financial institutions to align to the Paris Agreement and just transition principles.

What we did

The government's sweeping reforms to financial sector regulation picked up pace in 2023, as did our work to mobilise our community to influence the purpose of that regulation to improve social and environmental outcomes. We led the Finance for our Future campaign to try to introduce, for the first time, a duty for regulators to legally prioritise the climate and financial inclusion, and remove the proposed 'international competitiveness' objective, which would make regulators cheerleaders for the industries they are supposed to regulate.

We launched the campaign with a [joint statement](#) in February, supported by 37 organisations, alongside public polling that led to 16 articles in targeted media outlets, including [Business Green](#), [City AM](#), [The FT](#), [Politico](#), and [Reuters](#), an op-ed in [Financial News](#), a Sky News interview, and 10 articles by partners. This was supported by responses to HMT's review [by the Lab](#), and four influential organisations we supported: Which?, WWF, Client Earth, and the Grantham Research Institute. We led a working group that met fortnightly for the rest of the year, to discuss campaign strategy and delivery.

In May we partnered with the Balanced Economy Project to write and coordinate the publication of an [open letter](#) from 59 economists, which led to further press coverage.

In July, we [launched](#) a campaign website – [Finance for Our Future](#) – to coincide with the publication of the Financial Services and Markets Bill, supported by over 40 CSOs and cross-party MPs such as [Emma Hardy](#), [Kevin Hollinrake](#), and [Caroline Lucas](#). We then held numerous bilaterals with politicians and their advisors, distributed tailored briefings, and submitted evidence at key points during the Bill's passage through parliament. Lab-led publications included: a [climate-focused briefing](#) for MPs with ShareAction and WWF; our Bill [committee evidence](#); and a [briefing for peers](#) ahead of Second Reading in the Lords.

We also made the case for change in a variety of forums, including debating UK Finance alongside FT editor Martin Wolf at [a parliamentary event](#), making the case for a climate objective to private sector representatives and politicians at a private roundtable held by Bankers for Net Zero in November. We consistently supported coalition partners in their work on the campaign, including, for example Positive Money's major report [The Power of Big Finance](#), [a letter](#) to the PM about the UK's new Green Finance Strategy, and presenting at a Transparency Taskforce event.

Making law, regulation and policy work for people and planet (continued)

What we did (continued)

We mobilised influential people, both directly and with campaign partners to support our campaign, including major insurance company [Aviva](#) and partner firms, the [Fair Business Banking APPG](#), the [Financial Services Consumer Panel](#), [Professor Sir John Kay](#), and [Sir John Vickers](#). We helped a variety of people write and place op-eds, including by [Kevin Hollinrake MP](#), [Sir Vince Cable](#), [Ann Pettifor](#), [Alison Thewliss MP](#), [Mayor Jamie Driscoll](#), [Professor Sir John Kay](#), and [Wera Hobhouse MP](#).

Alongside this campaign, we held trimesterly Transforming Finance and Transforming Data Network meetings, and continued to produce our *Policy Forward Look* document, shared with over 170 people from key allied organisations to increase our community's knowledge of the complex policy and regulatory agenda, in order to more effectively advocate for reform. We also continued to build our networks and connections, including meeting regularly with senior officials at every major regulatory institution (FCA, PRA, HMT) as well as the Financial Services Consumer Panel and others.

The difference we made

We forced the government to have to publicly defend its proposals and be subjected to scrutiny and critique. John Glen MP (then City Minister) was questioned on our joint statement at a Treasury Select Committee. He acknowledged our concerns and said they were being considered carefully. In May, Lords raised our concerns with the Bill following the Queen's Speech, and HMT officials told us they were taking our campaign seriously. Two key newspapers have aligned with our campaign at editorial level – the FT and The Guardian.

In June, thanks to our work, the Treasury Select Committee came out against competitiveness objectives for regulators, and for an inclusion duty, and specifically referenced our campaign and the economist's letter as evidence. In September, our campaign featured as the lead opposition to the Bill in the House of Commons Library briefing, and cross-party MPs briefed by our coalition raised our concerns at the second reading of the Bill. At the Committee stage of the Bill in the House of Commons, our campaign was referenced multiple times, partners gave oral evidence and spoke about our issues, an amendment on inclusion was tabled with cross-party support, and attempts to worsen the competitiveness objective proposal were defeated.

Despite the vast majority of financial firms and sector trade bodies lobbying for regulators to be given new *primary* objectives to promote the competitiveness of the industry (we know this from an FOI request by InfluenceMap and conversations with MPs), the FSM Bill (published in July) included just new *secondary* objectives, with competitiveness no longer standing on its own, but being part of a broader and less damaging objective focusing on growth. Evidence of our impact came in July, when the Bank of England publicly welcomed our campaign for positively influencing the outcome of the proposed competitiveness objective.

Making law, regulation and policy work for people and planet (continued)

The difference we made (continued)

In addition to the work on the Bill, we had a range of other successes in changing institutions and narratives. For example, in December, we were able to coordinate a media response to the government's 'Edinburgh Reforms' with partners that changed the media narrative about the proposals over the course of the day - with the risk of another financial crash featuring in all coverage. After engagement with the Lab, the Prudential Regulation Authority (PRA) which sets rules for banks, is now formally consulting on how they can better engage stakeholders, including from civil society.

Our Transforming Finance and Data networks have been acknowledged by members as allowing for greater oversight over key policy developments, helping them identify new connections between their work, and providing hope and a sense of community. A member of the Financial Services Consumer Panel described the *Policy Forward Look* as "a prodigious piece of work" that he reads closely every month and gives him more info than he'd glean from FCA communication.

Building our community of changemakers

We build the power of our community by developing its size and diversity, facilitating connections, nourishing the people within it, advancing new thinking, and by supporting the development and growth of initiatives for change.

Our 2030 goal is that our community of committed and connected systems-changemakers have demonstrated their power to transform the financial sector and grow purpose-driven finance, shift mainstream finance, shrink unaccountable finance, and influence law, regulation and policy.

What we did

In 2022, we continued to share insights from our community via our newsletter, blogs and social media channels, and supported them with our monthly round-up of finance news. Due to difficulties recruiting, the Head of Community post remained vacant during the year, so the impact of the programme was mostly seen within the other three programmes. 2023 will see us welcome a new Director of Programmes and Campaigns, who will be devising a detailed strategy for the programme, likely focused on convening discussions on the future of finance, and building the capacity of the Lab and our community to influence the public narrative around the purpose of finance.

Shaping the debate

In addition to various short articles available on the Lab's website, we issued the following publications across our four programmes:

- In February, we coordinated a **joint statement from 36 organisations**, responding to the Treasury's Financial Services Future Regulatory Framework proposals. In the same month, we submitted a **response to HMT's Phase III consultation for the Financial Services Future Regulatory Framework Review**, and produced an **MP briefing** on the topic *Why 'competitiveness' objectives for regulators risk UK finance success*.
- In April, the Lab published an **MP briefing** with partners Fair by Design and the Fair Business Banking APPG: *Financial Services Bill 2022: An Opportunity to Future-proof Finance*. The following month we published a briefing on the Queen's Speech outlining the bill's **once-in-a-generation opportunity to legislate for action on climate and nature**
- In July, we published a report outlining ***Why Levelling Up Requires Purpose-Driven Finance Organisations***
- Also in July, we published our **insights report outlining learnings from the banking professionals** involved in our Climate-Safe Learning Fellowship, on encouraging their institutions to take greater climate action
- In October, we published our ***Fellowship: Incubation that can change a system*** guide outlining our fellowship programme and exploring the role of incubation in systems change
- In November, we published a **briefing summarising research on how the UK public perceive the finance industry** and its regulation, as a first step in exploring how we might shift the public debate on financial reform in order to support progressive change
- Also in November, we produced a **parliamentary briefing on how financial exclusion in the UK could be tackled** through the introduction of a Community Reinvestment Act
- We continued producing a **regular summary and analysis of all major financial sector policy, regulatory and legislative processes**, alongside briefings with organisations, journalists, and policy makers to share insights from it

In recognition of the Lab's expertise, our team are frequently cited or asked to share their expertise in various settings. Examples in 2022 include Lab staff speaking at meetings organised by Fair Business Banking APPG, the Chartered Banker Institute's webinar exploring: How can civil society have a greater voice in financial regulation? and at the Barclays Bank employee sustainability network. We were widely quoted in the media and had pieces carried by a variety of publications including the Financial Times, Financial News London, the Independent, the Times and elsewhere.

2023 and beyond

2022 saw us take forward our strategy (available from our website at: <http://filab.uk/ourstrategy>) across all four of our programmes. This momentum will continue into 2023, with key plans including:

- delivering our Fair Banking for All campaign securing commitment to a Fair Banking Act – mandating banks and regulators to support financial inclusion - in the campaign manifestos of the main political parties ahead of a general election, expected in 2024
- initiating and developing our community of people with lived experience of financial exclusion, using the Fair Banking for All campaign as an impetus but with the intention to develop relationships for the longer term
- undertaking a strategic review of our *Shifting Mainstream Finance* programme, as we welcome our new Head of Climate-Safe Banking, with particular focus on how we engage directly with banks and the broader movement
- continuing to build a valued, reflective and action-oriented space for climate champions inside big banks through the Climate Safe Lending Fellowship and Learning Lab
- continuing our work seeking to improve the Financial Services and Markets Bill and ongoing major programme of financial regulatory reform to ensure social and environmental outcomes are prioritized
- supporting individuals and organisations representing the public interest to improve financial sector policy making, with the publication and analysis of policy information and key developments, through our *Policy Forward Look* publications, and Transforming Finance and Transforming Data network meetings
- finalising our detailed monitoring, evaluation and learning approach for each of the four programmes of work, and report on this more fully on our website and annual report
- continuing building and supporting our community of those inside and outside the financial sector who want to transform finance, through outreach, activities and events, and ongoing thought engagement work, including developing an ambitious future agenda for transformative financial systems change.

The impact of COVID-19

Covid-19 continued to change working practices and impact industry across sectors and countries in 2022. In line with guidance, the trustees have identified the key impacts of this crisis on the Lab to date as follows:

Charitable activities

The majority of our events continued to take place online rather than in person, allowing us to make them more inclusive for different audiences, and to invite attendees from across the country (and in some cases, the world). We hosted our first in-person event since the start of the pandemic in October, and going forward plan to hold a mix of online, in-person and hybrid events.

Fundraising and finance

We were fortunate to avoid most of the acute financial stresses the pandemic inflicted on the sector, and in 2022 our funding continued to be relatively stable with key funders – whose support we are extremely grateful for – providing new grants and renewing existing grants for each of our programmes.

Staff, volunteers and operations

Throughout the pandemic our priority has been the wellbeing of our team, board, volunteers and wider community, to ensure we can continue working towards our goal of transforming the financial system for people and planet. During 2022, we experienced staffing shortages due to long-Covid, which took a toll on capacity and highlighted the ongoing risks posed by the disease. The team continued to work on a hybrid basis, and our reduced office space reflected this.

Ongoing impact

We continue to adapt and refocus our work based on a vision for the future of finance post-COVID, and see this as an opportunity to accelerate our work of challenging and changing narratives and norms about finance.

Our structure and governance

The Finance Innovation Lab was established as a Company Limited by Guarantee (CLG, number 09380418) on 8 January 2015 and became a Registered Charity (number 1165269) on 22 January 2016. Our constitutional documents are our Articles of Association.

Our Board

The board can consist of up to fourteen trustees, all able to serve two terms of three years. Sub-committees of the board are convened to expedite the execution of duties. Current sub-committees are the Finance and Operational Risk committee, which meets quarterly, and the Communications and Fundraising Committee, which meets twice a year. In addition, the Chair and Vice Chairs met together with the CEO and Director of People, Resources and Operations every other month.

Our structure and governance (continued)

Our Board (continued)

Trustee recruitment is conducted via an open application process advertised via various different channels. Induction support is provided to all new trustees by the staff team and Chair. This includes copies of relevant policies, procedures, and governance information. The trustees who served during the financial period were:

Brhmie Balaram	Resigned 24 May 2022
David Bartram	
Christopher (Kit) Beazley (Chair)	
Simon Borkin	Resigned 25 February 2022
Katherine Boswell	
David Carrington	Resigned 31 January 2023
Mikael Down	
Emma Faulkner	Appointed 31 January 2023
Nana Francois	
Casey Lord	Resigned 30 May 2023
Alice Merry	
Katherine Ormiston Smith (Treasurer)	
Amit Shah	

Our team

Day-to-day management is delegated to the Chief Executive Officer.

The Lab team during 2022 was:

Jesse Griffiths	Chief Executive Officer
Rebecca Sumner Smith	Chief Operating Officer
Holly May	Director of People, Resources and Operations (from 12 December 2022)
Marloes Nicholls	Head of Policy and Advocacy
Lydia Hascott	Head of Intrapreneurship (until 8 September 2022)
Jon Dennis	Head of Climate-Safe Banking (from 12 December 2022)
Sam Rex-Edwards and Kay Polley	Head of Movement Building and Campaigns (job-share)
Thomas Shields	Policy and Public Affairs Manager (from 28 March 2022)
Alexandra Spencer	Intrapreneurship Programme Manager
Yvonne Morris	Operations and Events Manager
Sarah Emm	Finance Manager (from 16 September 2022)
Gurjinder Khambay	Programme and Communications Officer (from 28 March 2022)

Our structure and governance (continued)

Our team (continued)

Key management personnel during the year were Jesse Griffiths, Rebecca Sumner Smith and Holly May.

The core team grew to an average of 10 employees in 2022 from 6 the year before. This mirrors growth in our income and impact, as we take steps towards the ambitious goals set out in our 2030 strategy.

Remuneration is reviewed and agreed annually by the trustees with reference to salary bands which have been set after consideration of external benchmarking. The Lab is an accredited Living Wage employer and we are committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain people with the right skills to have the greatest impact in delivering our charitable objectives.

We also worked with a range of freelancers during the year who brought invaluable insight and skill to our work, including: David Fagleman, Charlotte Millar, Anna Fielding, Natalie Tucker, Mark Hemingway, Katherine Darling, Anna Johnston, Jacqueline Lim, Sarah King, Daniel Stanley, Natalie Tucker, Christine Berry, and Rebecca Self.

Compliance with the Charity Governance Code for smaller charities

The Charity Governance Code ('the Code') is a voluntary code intended to help charities in England and Wales, and their trustees, develop high standards of governance. The Code has been designed as a tool to support continuous improvement – something core to the Lab's values and systems-focused approach.

The Lab is committed to the aims of the Code. As such, the trustees have resolved to adopt the Code and the Principles as a tool to identify areas to focus on. An updated version of the Code was released in December 2020, and in early 2021 the trustees engaged in a review of the Lab's governance in line with the Code practice. As a result of this we identified diversity, inclusion, equity and justice as a key area of focus (see below).

Diversity, inclusion, equity and justice (DIEJ)

The Lab is committed to providing equality and fairness for all and not to discriminate on any basis, including gender, marital status, race, ethnic origin, colour, nationality, national origin, disability, sexual orientation, mental health, religion or age. From the outset, the Lab has worked to build a culture which is open and inclusive, and actively to support diversity, inclusion, equity and justice in our internal practices as well as our programmatic work.

As part of our work on the updated Charity Governance Code, the Lab set up a working group consisting of board and team members to deepen our work in this area, and to begin preparation of a DIEJ plan. This work is ongoing. Building on a previous diversity survey of the Lab's community, in 2022 we completed a staff diversity survey, took various steps to improve our recruitment and induction processes to support inclusion, and built DIEJ more explicitly into our programme strategies.

Financial review

Where did our money come from?

In 2022, we received income from the following sources:

	2022
Grants and donations	
Partners for a New Economy	£129,764
Friends Provident Foundation	£150,000
Joseph Rowntree Charitable Trust	£55,000
Tudor Trust	£30,000
The Sunrise Project	£146,329
Network for Social Change	£20,000
Barrow Cadbury Trust	£50,500
Joffe Charitable Trust	£30,000
Laudes Foundation	£99,993
Multiplier	£40,216
Other	£195
Consultancy Income	£ 50,709
Participant contributions & sponsorship	-
Interest and reimbursed expenses	£73
Total	£802,779

Financial review (continued)

What did we spend it on?

Our biggest cost is our team: the talented staff and freelancers who design and deliver our programmes.

Pre-COVID, our biggest areas of spend outside of people costs were venue hire and hosting costs for our workshops, conferences, roundtables, events and residential retreats for programmes like our Fellowship. Our largest areas of spend in 2022 were rent, IT, accounting and communications costs.

	2022
Staff costs	£451,930
Freelance staff	£149,072
Rent, IT and other running costs	£81,021
Accountancy, audit and legal fees	£25,691
Venues and hosting events	£2,264
Communications and research	£25,875
Meetings, travel and subsistence	£6,450
Total	£742,303

Results for the year

Total income for the year was £802,779 (2021 - £562,912) of which £285,977 was unrestricted (2021 - £196,302) and £516,802 was restricted (2021 - £366,610). Unrestricted expenditure was £276,929 (2021 - £155,004) resulting in a surplus on unrestricted funds for the year after transfers of £9,048 (2021 – surplus of £41,298). Restricted expenditure was £465,374 (2021 - £302,431) resulting in a surplus on restricted funds for the year after transfers of £51,428 (2021 – surplus of £64,179).

Our financial position

The trustees set the Lab's target reserves at a level sufficient to ensure our financial stability and ability to meet our charitable objectives for the foreseeable future. Our target is to maintain reserves at a level that is at least equivalent to three months' core operational expenditure. The trustees review the amount of reserves that are required on a quarterly basis.

At 31 December 2022, the Lab had unrestricted free reserves of £122,980, which represented 44% (or 5.32 months) of core operational expenditure. Having reviewed both the policy and reserves level, the trustees consider the level of reserves held to be appropriate.

Principle risks and uncertainties

The Trustees actively review both the strategic and operational risks that the Finance Innovation Lab faces. These cover both short and long-term risks and in particular concern financial sustainability and reputation.

Principle risks and uncertainties (continued)

Principle risks and uncertainties facing the Lab during 2022 included:

- ◆ The **risk of having insufficient funding and staff** to deliver our ambitious programme of work, leading to the potential for staff burnout and/or poor quality delivery. This risk is actively mitigated in a number of ways, including various policies to support staff welfare, active workload management, and seeking additional funding sources to alleviate pressure rather than simply add additional requirements into our work.
- ◆ The **risk of long-term staff sickness** impacting the ability of the Lab to deliver. This is particularly relevant given we are a small team and given the ongoing impacts of the Covid-19 pandemic. We mitigate this risk similarly to the above – working to ensure there is capacity within the team and budget to flex to unforeseen circumstance – alongside a comprehensive business continuity plan.

The Trustees confirm that they are satisfied that strategies, systems and controls are, as far as possible, in place to mitigate significant risks.

The Finance and Operational Risk Committee (FORC) of the Board of Trustees regularly reviews the Lab's risk register. The FORC's principal role is one of oversight and scrutiny and it does not relieve the Board of its responsibilities for the monitoring and management of risk. The risk register is also reviewed regularly by the Board of Trustees.

Thank you

The Lab exists to change one of the most powerful, unequal, unsustainable and unaccountable systems in the world: the financial system.

We didn't take this on because it's easy to achieve or easy to fund. We took it on because we believe that transforming the financial system is the key to tackling all of the major challenges we face, from the climate and nature crisis, to inequality, poverty, marginalisation and exclusion.

We believe it can be done. And we have the courage to try.

We'd like to express our sincere thanks to all of those who have made our journey possible so far, including:

- ◆ The Lab team and trustees.
- ◆ Our funders, donors and supporters in the UK and beyond.
- ◆ Our Senior Fellows: Bertrand Beghin, Christine Berry, Fran Boait, Gemma Bone Dodds, Diane Burridge, Martin Campbell, Bruce Davis, Simon Deane-Johns, Anna Fielding, Tony Greenham, Julia Groves, Malcolm Hayday, Nonhlanhla Makuyana, Reema Patel, Faith Reynolds, Karl Richter, Brett Scott, James Vaccaro, Emma Vartolomei and Bryan Zhang.
- ◆ The Lab's founding partners, WWF-UK and ICAEW.
- ◆ The Lab's co-founders: Charlotte Millar, Jen Morgan, Rachel Sinha and Richard Spencer.

Statement of trustees' responsibilities

The trustees (who are also Directors of Finance Innovation Lab for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the trustee has taken all the steps that they ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Statement of trustees' responsibilities (continued)

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.

Approved by the trustees of the charity on 24-Jul-2023

and signed on its behalf by:

Kate Ormiston Smith

Kate Ormiston Smith (Jul 24, 2023 15:20 GMT+1)

Kate Ormiston Smith

Trustee

Independent auditor's report to the members of Finance Innovation Lab

Opinion

We have audited the financial statements of Finance Innovation Lab (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the cash flow, the principal accounting policies and the notes to the financial statements. 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 2022 and of 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 charitable company'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 and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

Other information (continued)

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 is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

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, 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.

Responsibilities of trustees (continued)

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- ◆ we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006;
- ◆ we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- ◆ identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;

Auditor's responsibilities for the audit of the financial statements (continued)

- ♦ tested journal entries to identify unusual transactions;
- ♦ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ♦ investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ♦ agreeing financial statement disclosures to underlying supporting documentation;
- ♦ reading minutes of meetings of those charged with governance; and
- ♦ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.



Hugh Swainson, Senior Statutory Auditor
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 25 July 2023

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £
Income from:				
Donations	3	235,195	516,802	751,997
Charitable activities	4	50,709	—	50,709
Investment income		73	—	73
Total income		<u>285,977</u>	<u>516,802</u>	802,779
Expenditure on:				
Raising funds	6	(20,866)	(26,945)	(47,811)
Charitable activities	5	(256,063)	(438,429)	(694,492)
Total expenditure		<u>(276,929)</u>	<u>(465,374)</u>	(742,303)
Net income and net movement in funds		<u>9,048</u>	<u>51,428</u>	60,476
Reconciliation of funds				
Total funds brought forward		126,958	115,298	242,256
Total funds carried forward	17,20	<u>136,006</u>	<u>166,726</u>	302,732

Comparative figures for the year ended 31 December 2021:

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £
Income from:				
Donations	3	155,078	366,610	521,688
Charitable activities	4	41,224	—	41,224
Total income		<u>196,302</u>	<u>366,610</u>	562,912
Expenditure on:				
Raising funds	6	(13,966)	(23,250)	(37,216)
Charitable activities	5	(141,038)	(279,181)	(420,219)
Total expenditure		<u>(155,004)</u>	<u>(302,431)</u>	(457,435)
Net income and net movement in funds		<u>41,298</u>	<u>64,179</u>	105,477
Reconciliation of funds				
Total funds brought forward		85,660	51,119	136,779
Total funds carried forward	17,20	<u>126,958</u>	<u>115,298</u>	242,256

All of the charity's activities derive from continuing operations during the above two periods.

Balance sheet As at 31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible fixed assets	13	13,026	7,488
Current assets			
Debtors	14	2,823	550
Cash at bank and in hand		369,889	269,881
		372,712	270,431
Creditors: amounts falling due within one year	15	(83,006)	(35,663)
Net current assets		289,706	234,768
Net assets		302,732	242,256
Funds of the charity:			
Restricted funds	20	166,726	115,298
Unrestricted funds		136,006	126,958
Total funds	17	302,732	242,256

The financial statements on pages 29 to 41 were approved by the trustees, and authorised for issue on 24-Jul-2023 and signed on their behalf by:

Kate Ormiston Smith
[Kate Ormiston Smith \(Jul 24, 2023 15:20 GMT+1\)](#)

Kate Ormiston Smith

Trustee

Finance Innovation Lab: A company limited by guarantee. Company Registration No. 09380418 (England and Wales).

Statement of cash flows Year ended 31 December 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash used in operating activities	A	109,224	115,558
Cash flows from investing activities:			
Interest received		73	—
Purchase of tangible fixed assets		(9,289)	(4,661)
Net cash provided by investing activities		(9,216)	(4,661)
Change in cash and cash equivalents in the year		100,008	110,897
Cash and cash equivalents at 1 January 2022	B	269,881	158,984
Cash and cash equivalents at 31 December 2022	B	369,889	269,881

Notes to the statement of cash flows for the year to 31 December 2022.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	60,476	105,477
Adjustments for:		
Interest receivable	(73)	—
Depreciation charge	3,751	1,933
(Increase) decrease in debtors	(2,273)	2,251
Increase in creditors	47,343	5,897
Net cash provided by operating activities	109,224	115,558

B Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	369,889	269,881
Total cash and cash equivalents	369,889	269,881

C Analysis of changes in net debt

	2021 £	Cash flows £	2022 £
Cash at bank and in hand	269,881	100,008	369,889
	269,881	100,008	369,889

1 Charity status

The charity is a company limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Principal accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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) and the Companies Act 2006.

Basis of preparation

Finance Innovation Lab meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees have considered the impact of the cost of living crisis on the charity and put measures into place to ensure the Lab can continue its operations as described in the trustees report. Although all of the future fundraising is not yet confirmed, given existing funding commitments in place the trustees consider there are currently no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

2 Principal accounting policies (continued)

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computer equipment	25% straight line

2 Principal accounting policies (continued)

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

3 Income from donations

	Unrestricted funds £	Restricted funds £	Total 2022 £
Grants from:			
- Charities	235,000	516,802	751,802
- Individuals	195	—	195
	235,195	516,802	751,997
	Unrestricted funds £	Restricted funds £	Total 2021 £
Grants from:			
- Charities	155,000	366,610	521,610
- Individuals	78	—	78
	155,078	366,610	521,688

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £
Consultancy (social and sustainable finance and financial reform)	50,709	—	50,709
	50,709	—	50,709
	Unrestricted funds £	Restricted funds £	Total 2021 £
Consultancy (social and sustainable finance and financial reform)	41,224	—	41,224
	41,224	—	41,224

5 Expenditure on charitable activities

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £
Direct costs		28,007	25,169	53,176
Staff costs	11	81,902	273,140	355,042
Freelance staff		13,239	135,833	149,072
Allocated support costs	7	132,915	4,287	137,202
		256,063	438,429	694,492
	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £
Direct costs		7,837	6,117	13,954
Staff costs	11	60,015	175,334	235,349
Freelance staff		9,260	66,736	75,996
Allocated support costs	7	63,926	30,994	94,920
		141,038	279,181	420,219

6 Expenditure on fundraising costs

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £
Staff costs	11	7,955	26,529	34,484
Allocated support costs	7	12,911	416	13,327
Total		20,866	26,945	47,811

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £
Staff costs	11	6,763	19,757	26,520
Allocated support costs	7	7,203	3,493	10,696
Total		13,966	23,250	37,216

7 Support costs

	Notes	Fundraising costs £ Note 6	Charitable activities £ Note 5	Total 2022 £
Governance	8	553	5,691	6,244
Staff costs	11	5,525	56,879	62,404
Finance		25	255	280
IT		1,099	11,317	12,416
Legal and Professional		5,274	54,300	59,574
Establishment		842	8,672	9,514
Other		9	88	97
Total		13,327	137,202	150,529

	Notes	Fundraising costs £ Note 6	Charitable activities £ Note 5	Total 2021 £
Governance	8	458	4,066	4,524
Staff costs	11	4,829	42,854	47,683
Finance		20	178	198
IT		780	6,920	7,700
Legal and Professional		2,985	26,495	29,480
Establishment		1,608	14,266	15,874
Other		16	141	157
Total		10,696	94,920	105,616

8 Governance costs

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £
Board costs	10	—	244	244
Audit fees	9	4,840	1,160	6,000
Total	7	4,840	1,404	6,244

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £
Board costs	10	—	88	88
Audit fees	9	95	4,345	4,440
Total	7	95	4,433	4,528

9 Net income

Net income for the year is stated after charging:	Notes	2022 £	2021 £
Audit fees	8	6,000	4,440
Operating leases – land and buildings		4,822	13,326
Depreciation		3,751	1,933

10 Trustees' remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2021: Nil).

No other trustees have received any other benefits from the charity during the year (2021: Nil).

Expenses totalling £87 (2021: £nil) for board meeting venue costs and refreshments was spent during the year.

Four trustees (2021: one) were reimbursed expenses of £156 (2021: £88) for travel to meetings.

Gifts to the total value of £97 (2021: £157) were provided to three trustees on their retirement from the Lab or subsequent to suffering a bereavement.

11 Staff costs

The aggregate payroll costs were as follows:

Staff costs during the year were:	2022 £	2021 £
Wages and salaries	392,493	267,055
Social security costs	39,688	29,223
Employer pension contribution	19,749	13,274
	451,930	309,552

11 Staff costs (continued)

Key management personnel remuneration, which includes employer's National Insurance and pensions, for the year was £158,364 before tax (2021: £141,995).

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as average headcount was as follows:

	2022 No	2021 No
Average number of employees	10	6

The number of employees whose emoluments, excluding employers National Insurance and pensions, fell within the following bands was:

	2022 No	2021 No
£60,000 - £70,000	1	1
£70,000 - £80,000	1	0

12 Taxation

Finance Innovation Lab is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

13 Tangible fixed assets

	2022 Total (computer equipment) £
Cost	
At 1 January 2022	14,675
Additions	9,289
Disposals	—
At 31 December 2022	23,964
Depreciation	
At 1 January 2022	7,187
Charge for the year	3,751
Disposals	—
At 31 December 2022	10,938
Net book value	
At 31 December 2022	13,026
At 31 December 2021	7,488

14 Debtors

	2022 £	2021 £
Prepayments and rental deposits	2,823	550

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	44,810	3,907
Other taxation and social security	11,730	8,889
Accruals and deferred income	26,466	22,867
	83,006	35,663

16 Financial commitments

At 31 December the charity had the following minimum lease commitments under non-cancellable operating leases as set out below:

	Land and Buildings 2022 £	Land and Buildings 2021 £
Operating lease payments due within 1 year	—	—

17 Funds

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2022 £
Unrestricted funds					
General	126,958	285,977	(276,929)	—	136,006
Restricted funds	115,298	516,802	(465,374)	—	166,726
Total funds	242,256	802,706	(742,303)	—	302,732

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2021 £
<i>Unrestricted funds</i>					
General	85,660	196,302	(155,004)	—	126,958
Restricted funds	51,119	366,610	(302,431)	—	115,298
Total funds	136,779	562,912	(457,435)	—	242,256

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Tangible fixed assets	7,313	5,713	13,026
Net current assets	128,693	161,013	289,706
Total net assets	136,006	166,726	302,732
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2021 Total funds £</i>
<i>Tangible fixed assets</i>	<i>4,090</i>	<i>3,398</i>	<i>7,488</i>
<i>Net current assets</i>	<i>122,868</i>	<i>111,900</i>	<i>238,858</i>
<i>Total net assets</i>	<i>126,958</i>	<i>115,298</i>	<i>242,256</i>

19 Analysis of net funds

	At 1 January 2022 £	Net cash flow £	At 31 December 2022 £
Cash at bank and in hand	269,881	99,935	369,816
Net debt	269,881	99,935	369,816
	<i>At 1 January 2021 £</i>	<i>Net cash flow £</i>	<i>At 31 December 2021 £</i>
<i>Cash at bank and in hand</i>	<i>158,984</i>	<i>110,897</i>	<i>269,881</i>
<i>Net debt</i>	<i>158,984</i>	<i>110,897</i>	<i>269,881</i>

20 Restricted funds

Fund	Balance at 1 January 2022 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2022 £
Barrow Cadbury Trust	17,783	50,500	(55,783)	—	12,500
Partners for a New Economy	54,156	129,764	(122,892)	—	61,028
Joffe Charitable Trust	14,917	30,000	(29,917)	—	15,000
The Sunrise Project	12,339	146,329	(112,780)	—	45,888
Green America	16,103	—	(16,103)	—	—
Network for Social Change	—	20,000	(20,000)	—	—
Laudes Foundation	—	99,993	(67,683)	—	32,310
Multiplier	—	40,216	(40,216)	—	—
Total restricted	115,298	516,802	(465,374)	—	166,726

20 Restricted funds (continued)

<i>Fund</i>	<i>Balance at 1 January 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfer between funds £</i>	<i>Balance at 31 December 2021 £</i>
<i>Barrow Cadbury Trust</i>	19,282	49,750	(51,249)	—	17,783
<i>Tudor Trust</i>	—	52,000	(52,000)	—	—
<i>Paul Hamlyn Foundation</i>	4,179	—	(4,179)	—	—
<i>Partners for a New Economy (2020 – 2022)</i>	27,658	112,498	(86,000)	—	54,156
<i>Joffe Charitable Trust</i>	—	30,000	(15,083)	—	14,917
<i>The Sunrise Project</i>	—	50,362	(38,023)	—	12,339
<i>Green America</i>	—	72,000	(55,897)	—	16,103
<i>Total restricted</i>	<u>51,119</u>	<u>366,610</u>	<u>(302,431)</u>	<u>—</u>	<u>115,298</u>

Partners for a New Economy – strategic grant supporting the Lab's work to build a financial system that serves people and planet, including innovation, intrapreneurship, advocacy and testing approaches to scaling our impact.

Barrow Cadbury Trust, Network for Social Change, Laudes Foundation and Joffe Charitable Trust – project grants for our programme focusing on financial policy and regulation.

The Sunrise Project, Green America and Multiplier - project grants for our programme focusing on shifting mainstream finance.

21 Related party transactions

Other than as disclosed in note 10, there were no related party transactions to report in 2022 (2021 – none).

Accounts



Annual Report and Financial Statements

(A company limited by guarantee)

31 December 2021

Company Registration Number
09380418 (England and Wales)

Charity Registration Number
1165269 (England and Wales)

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References and Administrative Information Year ended 31 December 2021

Trustees	Brhmie Balaram (resigned 24 May 2022) David Bartram (appointed 3 November 2021) Christopher (Kit) Beazley (Chair from 27 January 2021) Simon Borkin (resigned 25 February 2022) Katherine Boswell David Carrington Susan Charman (Chair, resigned 27 January 2021) Mikael Down Nana Francois Casey Lord Laurie Macfarlane (resigned 23 August 2021) Alice Merry (appointed 3 November 2021) Katherine Ormiston Smith (Treasurer) Amit Shah
Chief Executive Officer	Jesse Griffiths
Principal Address	HubHub 20 Farringdon Street London EC4A 4EN
Company registration number	9380418
Charity registration number	1165269
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	Unity Trust Bank PO Box 7193 Planetary Road Willenhall WV1 9DG

Trustees' Report Year ended 31 December 2021

The trustees, who are Directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 29 to 31 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in 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 United Kingdom and Republic of Ireland (FRS 102) have been followed in the preparation of this report and accounts.

Our vision

Our vision is a financial system that serves people and planet – one that's democratic, sustainable, just and resilient.

Democratic	a transparent and accountable financial system, where all people can participate in the rule-making and institutions that shape it.
Sustainable	a financial system that helps meet society's long-term needs and supports human flourishing on a thriving planet.
Just	a financial system that promotes diversity and equality and protects human rights.
Resilient	a financial system that provides security and stability for all, and for the real economy.

The need

Our financial system has become disconnected from the real needs of people, the environment, the wider economy and society. Dysfunctions in the financial system lie at the root of today's challenges, from climate change and economic crises, to poverty, marginalisation, vulnerability and inequality.

It doesn't have to be this way. People created the system and people can change it. We can transform the financial system so that it puts people and planet first.

What we do

We focus on transformative systems change; deep, lasting change in the financial system that impacts:

- **Mental models** – the social and cultural mindsets, narratives, norms and values that make up and perpetuate what we believe is normal.
- **Power dynamics** – power dynamics determine how the system operates, who gets most influence, and whose interests prevail.

We know we can't do this alone. Our role is to build power to make this change happen, by:

- **Cultivating a powerful community of systems-changemakers** – from inside and outside the financial system, including innovators and influencers from values-based finance, fintech, mainstream finance, civil society organisations, governmental organisations and academia.
- **Working on high impact initiatives with clear leverage points** – to achieve concrete changes that shift mental models and power dynamics to transform the financial system.

Our current initiatives are grouped into four programmes targeting the key financial system impacts needed to meet our vision:

- **Growing purpose-driven finance** – significantly expanding the size and impact of financial institutions that put social and environmental purpose at the heart of their ownership, mandate, governance, culture, and business models will be key to building the financial system of the future.
- **Shifting mainstream finance** – mainstream players such as banks and pension and insurance funds will have to shift their activities significantly if we are to meet our environmental and social goals.
- **Influencing law, regulation and policy** – the financial system is structured by policy and regulation which define the playing field and rules of the game, and the system's alignment to environmental and social goals. These rules hold the key to creating or incentivising major transformative change to the system.
- **Building our community** – we build the power of our community by developing its size and diversity, facilitating connections, nourishing the people within it, advancing new thinking, and by supporting the development and growth of initiatives for change.

Our work in 2021

2021 saw many successes, including the launch of our first fellowship for intrapreneurs influencing change in mainstream finance; increasing engagement with our policy and advocacy work, and renewed investment in our work supporting the purpose-driven finance ecosystem. We also developed our programme for growing purpose-driven finance, hiring our first dedicated programme leads – and the Lab's first job share. We published a number of key documents, influenced or were quoted in various of articles in the mainstream press, and both our Head of Policy and Advocacy and our Head of Community and Communications were highlighted on the Innovate Finance Women in Fintech Powerlist.

2021 also saw changes to our board, with the departure of our long-standing trustee, and latterly Chair, Sue Charman, in January 2021. In November we recruited two new trustees, along with four 'trustees-in-training', the latter being a 12-month programme the Lab developed to encourage involvement of candidates who might otherwise not put themselves forward for a full trustee role.

Charitable objects

The objects of the Charity are for the public benefit:

1 The promotion of ethical principles in financial systems for the public benefit including (but not limited to) by:

1.1 Advancing education and promoting research into the UK and international financial systems and their constituent elements including in particular, areas of change and innovation within those systems, emergent trends, new financial business models and impacts of investments on society and the environment; and publishing or otherwise disseminating the results of such research and providing a forum for its discussion;

1.2 Promoting sustainable development by:

a. promoting the preservation and conservation of the natural environment and the prudent use of natural resources and ecological processes; and

b. promoting sustainable means of achieving economic progress and regeneration.

In this context, "sustainable development" means development that meets the needs of the present generation without compromising the ability of future generations to meet their needs.

2 Relief of poverty and improving the conditions of life in socially and economically disadvantaged communities.

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Growing purpose-driven finance

Significantly expanding the size and impact of those financial institutions that put social and environmental purpose at the heart of their ownership, mandate, governance, culture, and business model will be key to building the financial system of the future.

Our 2030 goal is that purpose-driven financial institutions become mainstream in the UK, with a significant proportion of the public using purpose-driven financial institutions which hold an important share of total assets.

What we did

Following our 2020 publication *Barriers to Growing the Purpose Driven Banking Sector*, in February the Lab hosted a workshop where forty leaders in purpose-driven banking – from credit unions, community finance organisations, building societies, mutual banks and ethical banks – could share insights and generate new ideas for growing and strengthening the UK's purpose-driven banking sector. The impact of this was to generate a collective agreement amongst leaders as to what the barriers facing the ecosystem are, laying the groundwork for building a movement across these sectors and work collectively to find ways to remove these barriers and scale purpose-driven financial organisations.

Up to Q3 2021, this programme was led by existing core team members, but in early October we hired our first programme leads (a job-share), to begin building this movement. Their initial focus has been on understanding the purpose-driven finance landscape and developing relationships with stakeholders, including participating in workshops hosted by the Mutual Banking Association, the 'think and do tank' CLES, Triodos Bank, and ABCUL - the Association of British Credit Unions. In December, they published an article setting out why our work is so crucial to challenging injustice in the financial system, entitled: *How the financial system fails people on low incomes (and what we can do about it)*.

Alongside this, building on work to date, development of the full programme strategy began, alongside exploring possible future avenues for expanding the scale of impact.

The difference we made

By bringing together leaders from across the purpose-driven banking sectors to collectively explore what it is that holds their growth back we made progress situating their work (both as leaders and as organisations) as part of an ecosystem of purpose-driven finance. This perspective, and collective understanding, is necessary for building the power and coherence of the ecosystem overall, to win practical changes that will enable it to grow, and more importantly to shift mental models around how the financial system should operate. This demonstrated again that leaders in this community trust the Lab, are willing to be open about the strategic challenges around growing purpose-driven finance, and are keen to work with the Lab to make change happen.

With the programme still in development, the strategy, indicators, and approach to impact measurement and evaluation are yet to be finalised.

Shifting mainstream finance

Mainstream players such as banks and pension and insurance funds will have to shift their activities significantly if we are to meet our environmental and social goals. Given their public profile, it is possible to imagine this happening even if they do not fully convert into purpose-driven institutions.

Our 2030 goal is that mainstream financial organisations have aligned their core business activities to deliver a less than 1.5°C increase in global temperature – in line with the Paris Agreement – through financing a just and regenerative economy.

What we did

In partnership with the Climate Safe Lending Network (CSLN) - an international network of stakeholders all working to decarbonise the banking sector and real economy - we launched our first Climate Safe Lending Fellowship for a select group of high potential climate intrapreneurs. (We define climate intrapreneurs as those transforming a financial institution from within, by aligning strategy, operations and culture with positive societal outcomes). This six-month leadership programme builds the confidence, knowledge, networks and skills to create shifts within banks towards the financing of a just and equitable transition to a Paris-aligned economy. The programme includes a mixture of workshops, peer coaching and one-on-one coaching sessions, with our first cohort consisting of 23 Fellows from 20 banks globally.

In 2021 we also worked to influence directly the pace and scale of climate action within two of the UK's largest banks. We were able to draw on the Lab's research on Purpose-Driven Banking in the UK and our established community of purpose-driven finance innovators to both challenge and support banks' understanding of the nature of genuinely purpose-driven banking and the uncomfortable paradigm shift that will be required to transform in this direction. Our work included delivering workshops featuring purpose-driven finance leaders for the 700 most senior leaders across one of those banks on topics such as: embedding purpose in finance and strategy; equity, diversity and inclusion within purpose-driven banking; and the relationship between purpose and climate.

We also continued to build relationships with UK-based climate finance campaigners, sharing insights on the internal barriers and enablers of climate action within banks.

The difference we made

We are seeing evidence that our Climate Safe Lending Fellowship programme is building the knowledge, networks, confidence and skills of intrapreneurs acting for climate action within their institutions. We will share more learning once the programme closes – and are already planning for a second cohort, to run 2022-2023.

The Lab occupies a unique space in the net zero banking ecosystem, building bridges between insider and outsider change strategies. We are not aware of another organisation in the UK building communities of internal climate advocates within banks and connecting them with external influencing efforts.

Influencing law, regulation and policy

The financial system is not like most other systems, as the policy and regulatory structure is essential for defining the playing field and rules of the game, and aligning the system to environmental and social goals. These rules may help maintain the status quo but they also hold the key to creating or incentivising major transformative change to the system.

Our 2030 goals are that the ability of civil society organisations to influence finance-related law, regulation and policy is significantly increased; and that financial regulation, law, policy and industry standards support and oblige financial institutions to align to the Paris Agreement and just transition principles.

What we did

In March 2021 the Lab responded to the government-commissioned Fintech Strategic Review, challenging it to prioritise the ultimate social and environmental impacts of the fast-growing financial technology ('fintech') sector. Our response informed and is cited throughout the House of Commons report on fintech, and was also highlighted in work by academics at Sheffield University on fintech policy.

We continued co-leading the Open Finance Working Group (with StepChange Debt Charity), made up of third sector organisations, predominantly working on financial health, and in July we published a paper on Open Finance and Vulnerability. The paper was well-received and officials at the Competition and Markets Authority's Digital Markets Unit, the FCA, and the Money and Pensions Service let us know that the paper had been circulated internally. It also featured in Tech Nation's July report on Open Finance and insurance.

During 2021 we developed our programme strategy, focused on building the infrastructure – including convening, analysis and joint action – for civil society organisations (CSOs) focused on social and environmental justice to influence financial sector policy. We also launched our first coordinated campaign, focusing on influencing HM Treasury's major Future Regulatory Framework Review and the 2022 Financial Services Bill, which are the 'biggest changes to financial sector regulation in a generation' according to the Minister in charge. Key aims are to build support for stronger regulator mandates to act on climate and inclusion while challenging proposals to introduce new statutory objectives for regulators to promote the international competitiveness of industry.

The difference we made

Our work in 2020 raising CSO's awareness of the Finance Services Bill 2021, briefing parliamentarians and helping shape the Peers for the Planet's strategic approach, led in 2021 to a major success, with regulators required for the first time to take climate goals into account when setting regulation in the areas covered by the Bill.

[The Lab's] work convening other expert organisations, facilitating collaborative thinking and combining efforts has been fantastic in what can otherwise be a fragmented stakeholder landscape. We very much look forward to future collaboration.

– Peers for the Planet

Building our community

We build the power of our community by developing its size and diversity, facilitating connections, nourishing the people within it, advancing new thinking, and by supporting the development and growth of initiatives for change.

Our 2030 goal is that our community of committed and connected systems-changemakers have demonstrated their power to transform the financial sector and grow purpose-driven finance, shift mainstream finance, shrink unaccountable finance, and influence law, regulation and policy.

In April 2021 our Head of Community and Communications left for a role elsewhere in the sector. With limited budget we decided to invest in a Head of our 'Growing Purpose Driven Finance' programme rather than to immediately replace this role, which led to the pausing of our broader community programme and also some pressure around comms capacity in the team. Members of our community have continued to be supported within programme-specific community work, and we have continued to amplify the work of our community through our regular newsletter and also our social media channels. This role remains vacant, but we have now received 12-month funding from the J J Charitable Trust for our community programme and will progress this early in 2022.

In April 2021 we published a reflection paper on the role of *Community Building for Systems Change*. Drawing on examples from the Lab and other community-based organisations, and thinking from systems change thought leaders and community building experts, the paper explores how and why community building can be an effective strategy for systems change, and why it is such a core part of the Lab's work.

In 2021 we also ran the 'For The Better' award for financial systems-changemakers in partnership with specialist communications agency Teamspirit. Launched in 2018, the award offers a purpose-driven financial organisation the opportunity to increase their reach and impact with £10,000 of pro-bono marketing and communications support from Teamspirit's award-winning team. In 2021, Credit Unions of Wales were supported to launch MoneyWorks Wales, an ethical payroll scheme that builds financial wellbeing for Welsh workers, communities and organisations.

Shaping the debate

In addition to various short articles available on our Lab's website, in 2021 the Lab issued the following publications:

- in February 2021 we submitted a response to HM Treasury's phase two **consultation on the Financial Services Future Regulatory Framework Review**. In the same month the Lab also submitted a response to the Treasury Committee's **Future of Financial Services Inquiry**. The submission focused on issues that we identified as centrally important for regulating financial services in the wake of Brexit.
- in March 2021 we responded to the government-commissioned Fintech Strategic Review – also known as the Kalifa Review – which aims to support the growth and widespread adoption of UK fintech, and maintain the UK's global fintech reputation.

- in April 2021 we published a reflection paper on the role of **community building for systems change**. Drawing on examples from the Lab and other community-based organisations, and thinking from systems change thought leaders and community building experts, the paper explores how and why community building can be an effective strategy for systems change, and why it is such a core part of the Lab's work.
- In July we published a paper on **Open Finance and Vulnerability**, highlighting major risks that Open Finance could exacerbate the challenges faced by those in vulnerable circumstances, and offering 12 recommendations to policy makers to ensure that Open Finance contributes to a financial services sector that works for everyone.
- During 2021 we began producing a **monthly summary and analysis of all major financial sector policy, regulatory and legislative processes**. Feedback so far has indicated that the policy forward look is a unique document that is increasing knowledge, and we are increasingly hold briefings with organisations, journalists, and policy makers to share insights from it.

In recognition of the Lab's expertise, our team are also frequently cited or asked to share their expertise in various settings. Examples in 2021 include:

- We delivered a session on Finance and Climate action as part of the Hawkwood Centre for Future Thinking's Climate Action Lab.
- We spoke about Open Finance at ABCUL's annual conference to help build understanding of this new tech amongst the sector.
- We inspired and chaired a panel at the FTT Fintech Festival on Open Finance and vulnerability.
- We participated in the BEIS/Centre for Data Ethics and Innovation workshop on Smart Data, which is feeding into the government's policy on the roll-out of Open Finance.
- We attended the exclusive Ditchley conference on global finance.
- Our 2020 Climate Intrapreneurs report synthesising the key insights from the Climate Safe Learning Lab convening in October 2020 was listed as a resource in Project Drawdown's 2021 report Climate Solutions at Work: Unleashing your employee power.

Finally, we were delighted that in 2021 both our Head of Community and Communications and Head of Policy and Advocacy were included on Innovate Finance's Women in Fintech Powerlist.

2022 and beyond

2021 was the first year of implementing our new strategy (available from our website at: <http://filab.uk/ourstrategy>), and during 2022 this implementation will continue and accelerate. Some key plans for 2022 include:

- finalising our detailed monitoring, evaluation and learning approach for each of the four programmes of work, and report on this more fully on our website and in the 2022 annual report.
- continuing building and supporting our community of those inside and outside the financial sector who want to transform finance, through outreach, activities and events, and ongoing thought engagement work.
- developing our programme strategy for our work Growing Purpose-Driven Finance, identifying new initiatives to help the purpose-driven banking ecosystem grow and strengthen. This will begin by helping to create a sense of common identity within the community and identifying common barriers to growth as well as opportunities to tackle them. It will also include supporting the advocacy efforts of the network of regional cooperative banks, credit unions and community finance institutions.
- influencing HMT's major Future Regulatory Framework Review and the 2022 Financial Services Bill, to build support for stronger regulator mandates to act on climate and inclusion, while challenging proposals to introduce new statutory objectives for regulators to promote the international competitiveness of industry.
- further improving mechanisms for policy information gathering and analysis that enable the Lab's community to understand key developments and identify opportunities for collaborative advocacy.
- outreach and strategic communications to support civil society to become an increasingly respected stakeholder in the eyes of parliamentarians and the government.
- continuing to build the power of our community of climate intrapreneurs, growing their knowledge, networks, confidence and skills to accelerate climate action from within their institutions.
- completing the delivery of our inaugural Climate Safe Lending Fellowship and document learnings about the barriers and enablers of bank climate action into a publicly available insights report, before launching applications for cohort two.
- building influence with power holders within two strategically important UK banks to directly encourage more transformational climate action while supporting bottom-up change through growing internal communities of climate intrapreneurs.
- deepening relationships with the climate finance campaigning community and sharing our insights on the inner workings of banks to enhance external influencing strategies.

The impact of COVID-19

During 2021 the coronavirus pandemic had a profound impact across all sectors and countries. In line with guidance published by the SORP-making committee, the trustees have identified the key impacts of this crisis on the Lab to date as follows:

Charitable activities

As we entered the second year of the pandemic the main impacts of COVID-19 have become business as usual; most obviously the ongoing need for Lab events to take place online rather than in person. We have continued to find that the switch to online convenings has opened up valuable opportunities, including widening access for participants.

Fundraising and finance

Thanks to our funding structure - and to our funders, for whose ongoing support we are incredibly grateful - we are fortunate to have avoided the acute financial stresses the pandemic has inflicted on the sector. Indeed, the strength and urgency of our programmatic work meant that our income overall grew from £412,030 in 2020 to £562,912 in 2021, with new programme funding secured from The Sunrise Project, Green America, Joffe Charitable Trust and the J J Charitable Trust. During 2021 we also secured a further two-year core grant (Feb 2022-Jan 2024) from the Tudor Trust.

Further growth is expected in 2022.

The Lab is committed to high standards in fundraising. The vast majority of our fundraising activity is with trusts and foundations; donations from individuals in the year totalled less than £100, and all activity is conducted by The Lab directly.

No complaints were received from supporters about our fundraising methods in 2021.

Staff, volunteers and operations

Our priority in the early stages of this crisis was to support the wellbeing of our team, board, other volunteers and wider community, as only by doing so can we continue to deliver the impact on the financial system that we strive to achieve. This continued into 2021, and while we retained and made available our office space throughout the year the team remained and remain predominantly working from home. Given this, during the year we reduced our contract for office space to a minimum to ensure we had space available to us whilst minimising costs.

Ongoing impact

We continue to adapt and refocus our work based on a vision for the future of finance post-COVID, and see this as an opportunity to accelerate our work of challenging and changing narratives and norms about finance.

Our structure and governance

The Finance Innovation Lab was established as a Company Limited by Guarantee (CLG, number 09380418) on 8 January 2015 and became a Registered Charity (number 1165269) on 22 January 2016. Our constitutional documents are our Articles of Association.

Trustees' Report Year ended 31 December 2021

Our Board

The board can consist of up to fourteen trustees, all able to serve two terms of three years. Sub-committees of the board are convened to expedite the execution of duties. Current sub-committees are the Finance and Operational Risk committee, and the Communications and Fundraising Committee, both of which met quarterly in advance of board meetings. In addition, the Chair and Vice Chairs met together with the CEO and COO on a monthly basis.

Trustee recruitment is conducted via an open application process advertised via various different channels. Induction support is provided to all new trustees by the staff team and Chair. This includes copies of relevant policies, procedures, and governance information. The trustees who served during the financial period were:

Brhmie Balaram	Resigned 24 May 2022
David Bartram	Appointed 3 November 2021
Christopher (Kit) Beazley (Chair from 27 January 2021)	
Simon Borkin	Resigned 25 February 2022
Katherine Boswell	
David Carrington	
Susan Charman (Chair until 27 January 2021)	Resigned 27 January 2021
Mikael Down	
Nana Francois	
Casey Lord	
Laurie Macfarlane	Resigned 23 August 2021
Alice Merry	Appointed 3 November 2021
Katherine Ormiston Smith (Treasurer)	
Amit Shah	

January 2021 saw the departure of our long-standing trustee, and latterly Chair, Sue Charman. Sue was the Lab's longest serving trustee, having been involved since 2009 when the Lab emerged from a collaboration between WWF-UK and the ICAEW. The support Sue has provided to the Lab and its team over the years is impossible to measure, and we will greatly miss her thoughtful approach and wise counsel.

External recruitment for a replacement was unsuccessful, and we were delighted that existing trustee Kit Beazley stepped up as interim Chair for 12 months - and has now been confirmed as ongoing Chair. During 2021 we also recruited two new trustees, along with four 'trustees-in-training', the latter being for a 12-month programme to encourage involvement of candidates who might otherwise not put themselves forward for a full trustee role. We have already had interest from other third sector organisations about this approach, and will be sharing more as the programme develops.

In August 2021 trustee Laurie Macfarlane stepped down for personal reasons. In early 2022 (post balance-sheet) a further trustee, Simon Borkin, also stepped down for personal reasons, and in May 2022 Brhmie Balaram retired from the board at the end of her three-year term. We are extremely grateful for their contribution to our work, and for the expertise and

Trustees' Report Year ended 31 December 2021

enthusiasm they brought to the Lab during their time on the board.

Lab Treasurer Kate Ormiston Smith was on parental leave from the board from June 2021 until March 2022.

Our team

Day-to-day management is delegated to the Chief Executive Officer.

The Lab team during 2021 was:

Jesse Griffiths	Chief Executive Officer
Rebecca Sumner Smith	Chief Operating Officer
Marloes Nicholls	Head of Policy and Advocacy
Lydia Hascott	Head of Intrapreneurship
Sam Rex-Edwards and Kay Polley	Heads of Movement Building and Campaigns (job-share, from 3 October 2021)
Alexandra Spencer	Intrapreneurship Programme Manager (from 18 October 2021)
Naomi Alexander Naidoo	Head of Community and Communications (until 28 April 2021)
Yvonne Morris	Operations Officer

Key management personnel during the year were Jesse Griffiths and Rebecca Sumner Smith.

Remuneration is reviewed and agreed annually by the trustees with reference to salary bands which have been set after consideration of external benchmarking. The Lab is an accredited Living Wage employer and we are committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain people with the right skills to have the greatest impact in delivering our charitable objectives.

We also worked with a range of freelancers during the year who brought invaluable insight and skill to our work, including: Becca Bartholomew, David Clarke, David Fagleman, Anna Fielding, Sarah King, Jacqueline Lim, Natalie Tucker, Robin Watts and Bryony Walker.

Compliance with the Charity Governance Code for smaller charities

The Charity Governance Code ('the Code') is a voluntary code intended to help charities in England and Wales, and their trustees, develop high standards of governance. The Code has been designed as a tool to support continuous improvement – something core to the Lab's values and systems-focused approach.

The Lab is committed to the aims of the Code. As such, the trustees have resolved to adopt the Code and the Principles as a tool to identify areas to focus on. An updated version of the Code was released in December 2020, and in early 2021 the trustees engaged in a review of the Lab's governance in line with the Code practice. As a result of this we identified diversity, inclusion, equity and justice as a key area of focus (see below).

Diversity, inclusion, equity and justice (DIEJ)

The Lab is committed to providing equality and fairness for all and not to discriminate on any basis, including gender, marital status, race, ethnic origin, colour, nationality, national origin,

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disability, sexual orientation, mental health, religion or age. From the outset, the Lab has worked to build a culture which is open and inclusive, and actively to support diversity, inclusion, equity and justice in our internal practices as well as our programmatic work. During 2021, as part of our work on the updated Charity Governance Code, the Lab set up a working group consisting of board and team members to deepen our work in this area, and to begin preparation of a DIEJ plan. Further information on our progress will be shared on our website as it becomes available.

Financial review

Where did our money come from?

In 2021, we received income from the following sources:

	2021
Grants and donations	
Partners for a New Economy	£112,498
Friends Provident Foundation	£100,000
Green America	£72,000
Joseph Rowntree Charitable Trust	£55,000
Tudor Trust	£52,000
The Sunrise Project	£50,362
Barrow Cadbury Trust	£49,750
Joffe Charitable Trust	£30,000
Other	£78
Consultancy Income	£ 41,224
Participant contributions & sponsorship	-
Interest and reimbursed expenses	-
Total	£562,912

What did we spend it on?

Our biggest cost is our team: the talented staff and freelancers who design and deliver our programmes.

Pre-COVID, our biggest areas of spend outside of people costs are venue hire and hosting costs for our workshops, conferences, roundtables, events and residential retreats for programmes like our Fellowship. From March 2020, all Lab events shifted to online delivery, reducing costs. As a result, our largest areas of spend in 2021 were rent, IT and accounting costs.

	2021
Staff costs	£309,552
Freelance staff	£75,996
Rent, IT and other running costs	£44,037
Accountancy, audit and legal fees	£23,055
Venues and hosting events	-
Communications and research	£635
Meetings, travel and subsistence	£4,160
Total	£457,435

Results for the year

Total income for the year was £562,912 (2020 - £412,030) of which £196,302 was unrestricted (2020 - £178,790) and £366,610 was restricted (2020 - £233,240). Unrestricted expenditure was £155,004 (2020 - £159,790) resulting in a surplus on unrestricted funds for the year after transfers of £41,298 (2020 – surplus of £19,000). Restricted expenditure was £302,431 (2020 - £218,645) resulting in a surplus on restricted funds for the year after transfers of £64,179 (2020 – deficit of £14,595).

Our financial position

The trustees set the Lab's target reserves at a level sufficient to ensure our financial stability and ability to meet our charitable objectives for the foreseeable future. Our target is to maintain reserves at a level that is at least equivalent to three months' core operational expenditure. The trustees review the amount of reserves that are required on a quarterly basis.

At 31 December 2021, the Lab had unrestricted reserves of £126,958, which represented 34% (or 4.07 months) of core operational expenditure. Having reviewed both the policy and reserves level in light of the ongoing uncertainty caused by the coronavirus pandemic, the trustees consider the level of reserves held to be appropriate.

Principle risks and uncertainties

The Trustees actively review both the strategic and operational risks that the Finance Innovation Lab faces. These cover both short and long-term risks and in particular concern financial sustainability and reputation.

Trustees' Report Year ended 31 December 2021

Principle risks and uncertainties facing the Lab during 2021 included:

- The **risk of having insufficient funding and staff** to deliver our ambitious programme of work, leading to the potential for staff burnout and/or poor quality delivery. This risk is actively mitigated in a number of ways, including various policies to support staff welfare, active workload management, and seeking additional funding sources to alleviate pressure rather than simply add additional requirements into our work.
- The **risk of long-term staff sickness** impacting the ability of the Lab to deliver. This is particularly relevant given we are a small team and given the ongoing pandemic. We mitigate this risk similarly to the above – working to ensure there is capacity within the team and budget to flex to unforeseen circumstance – alongside a comprehensive business continuity plan.
- During 2021 we also identified a **risk of holding all funding in a single bank account**. As a small organization this was appropriate, but as our funding position grows we need to diversify bank failure risk by setting up further accounts to make best use of statutory protections. This has already been partly mitigated by managing grant and other payment requests, and the setting up of a second bank account. Mitigation work will continue in 2022.

The Trustees confirm that they are satisfied that strategies, systems and controls are, as far as possible, in place to mitigate significant risks, including those presented by the coronavirus pandemic and measures taken by public authorities to control it.

The Finance and Operational Risk Committee (FORC) of the Board of Trustees regularly reviews the Lab's risk register. The FORC's principal role is one of oversight and scrutiny and it does not relieve the Board of its responsibilities for the monitoring and management of risk. The risk register is also reviewed regularly by the Board of Trustees.

Thank you

The Lab exists to change one of the most powerful, self-serving and unaccountable systems in the world: the financial system.

We didn't take this on because it's easy to achieve or easy to fund. We took it on because we believe that transforming the financial system is the key to unlocking some of the most wicked problems of our time.

We believe it can be done. And we have the courage to try.

We'd like to express our sincere thanks to all of those who have made our journey possible so far, including:

- The Lab team and trustees.
- Our funders, donors and supporters in the UK and beyond.

Trustees' Report Year ended 31 December 2021

- Our Senior Fellows: Bertrand Beghin, Christine Berry, Fran Boait, Gemma Bone Dodds, Diane BurrIDGE, Martin Campbell, Bruce Davis, Simon Deane-Johns, Anna Fielding, Tony Greenham, Julia Groves, Malcolm Hayday, Nonhlanhla Makuyana, Reema Patel, Faith Reynolds, Karl Richter, Brett Scott, James Vaccaro, Emma Vartolomei and Bryan Zhang.
- The Lab's founding partners, WWF-UK and ICAEW.
- The Lab's co-founders: Charlotte Millar, Jen Morgan, Rachel Sinha and Richard Spencer.

Statement of trustees' responsibilities

The trustees (who are also Directors of Finance Innovation Lab for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and

Trustees' Report Year ended 31 December 2021

- the trustee has taken all the steps that they ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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.

Approved by the trustees of the charity on 12 July 2022 and signed on its behalf by:



Trustee

Christopher Beazley

Independent auditor's report to the members of Finance Innovation Lab

Opinion

We have audited the financial statements of Finance Innovation Lab (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the cash flow, the principal accounting policies and the notes to the financial statements. 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 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 charitable company'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 and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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 is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

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, 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

Auditor's responsibilities for the audit of the financial statements (continued)

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive, flowing style.

Hugh Swainson, Senior Statutory Auditor
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 18 August 2022

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £
Income from:				
Donations	3	155,078	366,610	521,688
Charitable activities	4	41,224	—	41,224
Total income		<u>196,302</u>	<u>366,610</u>	562,912
Expenditure on:				
Raising funds	6	(13,966)	(23,250)	(37,216)
Charitable activities	5	(141,038)	(279,181)	(420,219)
Total expenditure		<u>(155,004)</u>	<u>(302,431)</u>	(457,435)
Net income and net movement in funds		<u>41,298</u>	<u>64,179</u>	105,477
Reconciliation of funds				
Total funds brought forward		85,660	51,119	136,779
Total funds carried forward	17,19	<u>126,958</u>	<u>115,298</u>	242,256

Comparative figures for the year ended 31 December 2020:

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £
Income from:				
Donations	3	156,000	233,240	389,240
Charitable activities	4	22,790	—	22,790
Total income		<u>178,790</u>	<u>233,240</u>	412,030
Expenditure on:				
Raising funds	6	(16,953)	(23,381)	(40,334)
Charitable activities	5	(142,837)	(195,264)	(338,101)
Total expenditure		<u>(159,790)</u>	<u>(218,645)</u>	(378,435)
Net income and net movement in funds		<u>19,000</u>	<u>14,595</u>	33,595
Reconciliation of funds				
Total funds brought forward		66,660	36,524	103,184
Total funds carried forward	17,19	<u>85,660</u>	<u>51,119</u>	136,779

All of the charity's activities derive from continuing operations during the above two periods.

Balance sheet as at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible fixed assets	13	7,488	4,760
Current assets			
Debtors	14	550	2,801
Cash at bank and in hand		269,881	158,984
		270,431	161,785
Creditors: amounts falling due within one year	15	(35,663)	(29,766)
Net current assets		234,768	132,019
Net assets		242,256	136,779
Funds of the charity:			
Restricted funds	19	115,298	51,119
Unrestricted funds		126,958	85,660
Total funds	17	242,256	136,779

The financial statements on pages 26 to 38 were approved by the trustees, and authorised for issue on 12 July 2022 and signed on their behalf by:



Christopher Beazley
Trustee

Finance Innovation Lab: A company limited by guarantee. Company Registration No. 9380418 (England and Wales).

Statement of cash flows Year ended 31 December 2021

	Notes	2021 £	2020 £
Cash flows provided by operating activities:			
Net cash used in operating activities	A	115,558	41,086
Cash flows from investing activities:			
Purchase of tangible fixed assets		(4,661)	(4,846)
Net cash provided by investing activities		(4,661)	(4,846)
Change in cash and cash equivalents in the year		110,897	36,240
Cash and cash equivalents at 1 January 2021	B	158,984	122,744
Cash and cash equivalents at 31 December 2021	B	269,881	158,984

Notes to the statement of cash flows for the year to 31 December 2021.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	105,477	33,595
Adjustments for:		
Deficit on disposal of tangible fixed assets	—	1,341
Depreciation charge	1,933	1,318
Decrease in debtors	2,251	7,074
Increase (decrease) in creditors	5,897	(2,242)
Net cash provided by operating activities	115,558	41,086

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	269,881	158,984
Total cash and cash equivalents	269,881	158,984

C Analysis of changes in net funds

	2020 £	Cash flows £	2021 £
Cash at bank and in hand	158,984	110,897	269,881
	158,984	110,897	269,881

1 Charity status

The charity is a company limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Principal accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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) and the Companies Act 2006.

Basis of preparation

Finance Innovation Lab meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees have considered the impact of the COVID-19 crisis on the charity and put measures into place to ensure the Lab can continue its operations as described in the trustees report. Although the future fundraising is not yet clear, given existing funding commitments in place the trustees consider there are currently no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

2 Principal accounting policies (continued)

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Consultancy income (social and sustainable finance and financial reform)

Consulting services income is recognised as services are rendered, and rates are generally based on the prevailing market rate. Consulting income for fixed-price services arrangements is recognised as services are provided.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Governance costs are included within support costs.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

2 Principal accounting policies (continued)

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computer equipment	25% straight line

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

3 Income from donations

	Unrestricted funds £	Restricted funds £	Total 2021 £
Grants from:			
- Charities	155,000	366,610	521,610
- Individuals	78	—	78
	155,078	366,610	521,688
	Unrestricted funds £	Restricted funds £	Total 2020 £
Grants from:			
- Charities	156,000	233,240	389,240
	156,000	233,240	389,240

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £
Consultancy (social and sustainable finance and financial reform)	41,224	—	41,224
	41,224	—	41,224
	Unrestricted funds £	Restricted funds £	Total 2020 £
Consultancy (social and sustainable finance and financial reform)	22,470	—	22,470
Participant contributions & Sponsorship	320	—	320
	22,790	—	22,790

5 Expenditure on charitable activities

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £
Direct costs		7,837	6,117	13,954
Staff costs	11	60,015	175,334	235,349
Freelance staff		9,260	66,736	75,996
Allocated support costs	7	63,926	30,994	94,920
		141,038	279,181	420,219
	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £
Direct costs		5,007	10,020	15,027
Staff costs	11	75,792	143,912	219,704
Freelance staff		9,400	8,100	17,500
Allocated support costs	7	52,638	33,232	85,870
		142,837	195,264	338,101

6 Expenditure on raising funds

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £
Staff costs	11	6,763	19,757	26,520
Allocated support costs	7	7,203	3,493	10,696
Total		13,966	23,250	37,216

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £
Staff costs	11	10,005	18,995	29,000
Allocated support costs	7	6,948	4,386	11,334
Total		16,953	23,381	40,334

7 Support costs

	Notes	Fundraising costs £ Note 6	Charitable activities £ Note 5	Total 2021 £
Governance	8	458	4,066	4,524
Staff costs	11	4,829	42,854	47,683
Finance		20	178	198
IT		780	6,920	7,700
Legal and Professional		2,985	26,495	29,480
Establishment		1,608	14,266	15,874
Other		16	141	157
Total		10,696	94,920	105,616

	Notes	Fundraising costs £ Note 6	Charitable activities £ Note 5	Total 2020 £
Governance	8	668	5,060	5,728
Staff costs	11	5,676	43,003	48,679
Finance		22	164	186
IT		407	3,083	3,490
Legal and Professional		2,185	16,555	18,740
Establishment		2,350	17,804	20,154
Other		26	201	227
Total		11,334	85,870	97,204

8 Governance costs

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £
Board costs	10	—	88	88
Audit fees	9	95	4,345	4,440
Total	7	95	4,433	4,528

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £
Board costs	10	336	1,185	1,521
Audit fees	9	169	4,038	4,207
Total	7	505	5,223	5,728

9 Net income

Net income for the year is stated after charging:	Notes	2021 £	2020 £
Audit fees	8	4,440	4,207
Operating leases – land and buildings		13,326	18,240
Depreciation		1,933	1,318

10 Trustees' remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2020: Nil).

No other trustees have received any other benefits from the charity during the year (2020: Nil).

Expenses totalling £0 (nil) (2020: £450) for board meeting venue costs and refreshments was spent during the year.

One trustee (2020: five) was reimbursed expenses of £88 (2020: £1,071) for travel to meetings.

Gifts to the total value of £157 (2020: £181) were provided to three trustees on their retirement from the Lab or subsequent to suffering a bereavement.

11 Staff costs

The aggregate payroll costs were as follows:

Staff costs during the year were:	2021 £	2020 £
Wages and salaries	267,055	258,349
Social security costs	29,223	26,167
Employer pension contribution	13,274	12,867
	309,552	297,383

11 Staff costs (continued)

Key management personnel remuneration, which includes employer's National Insurance and pensions, for the year was £141,995 before tax (2020: £143,999). The 2020 figure is higher due to overlap of incoming and outgoing CEO.

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as average full time equivalents was as follows:

	2021 No	2020 No
Average number of employees	6	6

The number of employees whose emoluments, excluding employers National Insurance and pensions, fell within the following bands was:

	2021 No	2020 No
£60,000 - £70,000	1	—

12 Taxation

Finance Innovation Lab is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

13 Tangible fixed assets

	2021 Total (computer equipment) £
Cost	
At 1 January 2021	10,014
Additions	4,661
At 31 December 2021	14,675
Depreciation	
At 1 January 2021	5,254
Charge for the year	1,933
At 31 December 2021	7,187
Net book value	
At 31 December 2021	7,488
At 31 December 2020	4,760

14 Debtors

	2021 £	2020 £
Prepayments and rental deposits	550	2,801

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	3,907	3,033
Other taxation and social security	8,889	7,555
Accruals and deferred income	22,867	19,178
	35,663	29,766

16 Financial commitments

At 31 December the charity had the following minimum lease commitments under non-cancellable operating leases as set out below:

	Land and Buildings 2021 £	Land and Buildings 2020 £
Operating lease payments due within 1 year	—	1,536

17 Funds

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2021 £
Unrestricted funds					
General	85,660	196,302	(155,004)	—	126,958
Restricted funds	51,119	366,610	(302,431)	—	115,298
Total funds	136,779	562,912	(457,435)	—	242,256

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2020 £
<i>Unrestricted funds</i>					
<i>General</i>	66,660	178,790	(159,790)	—	85,660
<i>Restricted funds</i>	36,524	233,240	(218,645)	—	51,119
<i>Total funds</i>	103,184	412,030	(378,435)	—	136,779

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Tangible fixed assets	4,090	3,398	7,488
Net current assets	122,868	111,900	238,858
Total net assets	126,958	115,298	242,256
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2020 Total funds £</i>
<i>Tangible fixed assets</i>	<i>987</i>	<i>3,773</i>	<i>4,760</i>
<i>Net current assets</i>	<i>84,673</i>	<i>47,346</i>	<i>132,019</i>
<i>Total net assets</i>	<i>85,660</i>	<i>51,119</i>	<i>136,779</i>

19 Restricted funds

Fund	Balance at 1 January 2021 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2021 £
Barrow Cadbury Trust	19,282	49,750	(51,249)	—	17,783
Tudor Trust	—	52,000	(52,000)	—	—
Paul Hamlyn Foundation	4,179	—	(4,179)	—	—
Partners for a New Economy (2020 – 2022)	27,658	112,498	(86,000)	—	54,156
Joffe Charitable Trust	—	30,000	(15,083)	—	14,917
The Sunrise Project	—	50,362	(38,023)	—	12,339
Green America	—	72,000	(55,897)	—	16,103
Total restricted	51,119	366,610	(302,431)	—	115,298

Fund	Balance at 1 January 2020 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2020 £
Partners for a New Economy	36,524	—	(36,524)	—	—
Barrow Cadbury Trust	—	49,750	(30,468)	—	19,282
Tudor Trust	—	50,000	(50,000)	—	—
Paul Hamlyn Foundation	—	20,000	(15,821)	—	4,179
JRCT	—	992	(992)	—	—
Partners for a New Economy (2020 – 2022)	—	112,498	(84,840)	—	27,658
Total restricted	36,524	233,240	(218,645)	—	51,119

Tudor Trust – grant to support core operational costs.

Partners for a New Economy – strategic grant supporting the Lab's work to build a financial system that serves people and planet, including innovation, intrapreneurship, advocacy and testing approaches to scaling our impact.

Barrow Cadbury Trust, Paul Hamlyn Foundation and Joffe Charitable Trust – project grants for our programme focusing on financial policy and regulation.

The Sunrise Project and Green America - project grants for our programme focusing on shifting mainstream finance.

During the year the Lab hosted a grant of £15,000 provided by Friends Provident Foundation to Decolonising Economics for their work developing BPOC leadership in the solidarity economy. This was paid on in full to Decolonising Economics, with £nil retained by the Lab, and has therefore been excluded from the table above.

20 Related party transactions

In October 2021 climate lawyer Tessa Khan, who has successfully taken The Netherlands and Irish governments to court over climate inaction, joined the Climate Safe Lending Fellowship as a guest speaker for which she was paid a nominal fee of £500. This is the same fee paid to other speakers. Tessa Khan is the wife of our CEO, Jesse Griffiths.

Accounts



Annual Report and Financial Statements

(A company limited by guarantee)

31 December 2020

Company Registration Number
09380418 (England and Wales)

Charity Registration Number
1165269 (England and Wales)

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References and Administrative Information Year ended 31 December 2020

Trustees	Brhmie Balaram Christopher (Kit) Beazley (Chair from 27 January 2021) Simon Borkin Katherine Boswell David Carrington (Vice Chair) Susan Charman (Chair, resigned 27 January 2021) Mikael Down Nana Francois (Vice Chair from 27 January 2021) Casey Lord Laurie Macfarlane Katherine Ormiston Smith (Treasurer) Amit Shah (Vice Chair from 27 January 2021) Marsha Taylor-Daniel (resigned 8 December 2020)
Chief Executive Officer	Jesse Griffiths (appointed 27/04/2020) Anna Fielding (prev. Laycock, CEO until 27/04/2020, resigned 10/06/2020)
Principal Address	HubHub 20 Farringdon Street London EC4A 4EN
Company registration number	9380418
Charity registration number	1165269
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	Unity Trust Bank PO Box 7193 Planetary Road Willenhall WV1 9DG

Trustees' Report Year ended 31 December 2020

The trustees, who are Directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out on pages 31 to 33 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in 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 United Kingdom and Republic of Ireland (FRS 102) have been followed in the preparation of this report and accounts.

Our vision

Our vision is a financial system that serves people and planet – one that's democratic, sustainable, just and resilient.

Democratic	a transparent and accountable financial system, where all people can participate in the rule-making and institutions that shape it.
Sustainable	a financial system that helps meet society's long-term needs and supports human flourishing on a thriving planet.
Just	a financial system that promotes diversity and equality and protects human rights.
Resilient	a financial system that provides security and stability for all, and for the real economy.

The need

Our financial system has become disconnected from the real needs of people, the environment, the wider economy and society. Dysfunctions in the financial system lie at the root of today's challenges, from climate change and economic crises, to poverty, marginalisation, vulnerability and inequality.

It doesn't have to be this way. People created the system and people can change it. We can transform the financial system so that it puts people and planet first.

What we do

We focus on transformative systems change; deep, lasting change in the financial system that impacts:

- **Mental models** – the social and cultural mindsets, narratives, norms and values that make up and perpetuate what we believe is normal.
- **Power dynamics** – power dynamics determine how the system operates, who gets most influence, and whose interests prevail.

We know we can't do this alone. Our role is to build power to make this change happen, by:

- **Cultivating a powerful community of systems-changemakers** – from inside and outside the financial system, including innovators and influencers from values-based finance, fintech, mainstream finance, civil society organisations, governmental organisations and academia.
- **Working on high impact initiatives with clear leverage points** – to achieve concrete changes that shift mental models and power dynamics to transform the financial system.

Our current initiatives are grouped into four programmes targeting the key financial system impacts needed to meet our vision:

- **Growing purpose-driven finance** – significantly expanding the size and impact of financial institutions that put social and environmental purpose at the heart of their ownership, mandate, governance, culture, and business models will be key to building the financial system of the future.
- **Shifting mainstream finance** – mainstream players such as banks and pension and insurance funds will have to shift their activities significantly if we are to meet our environmental and social goals.
- **Influencing law, regulation and policy** – the financial system is structured by policy and regulation which define the playing field and rules of the game, and the system's alignment to environmental and social goals. These rules hold the key to creating or incentivising major transformative change to the system.
- **Building our community** – we build the power of our community by developing its size and diversity, facilitating connections, nourishing the people within it, advancing new thinking, and by supporting the development and growth of initiatives for change.

Our work in 2020

Thanks to the ongoing support of our funders and community, and the incredible resilience and adaptability of our team, the Lab thrived in 2020 despite the very difficult conditions created by the coronavirus pandemic.

During the year, we developed our policy and advocacy work, expanded our work with intrapreneurs influencing change in mainstream finance, and grew our community of practice to over 650 members. As planned, 2020 also saw the recruitment of our new Chief Executive Officer, Jesse Griffiths, as we said goodbye to Anna Fielding (prev. Laycock) after nearly five years at the helm. One of Jesse's first achievements was to successfully lead the finalisation of our new ten-year strategy. The full strategy is available on our website at <http://filab.uk/ourstrategy>.

2020 also saw changes to our board in preparation for the departure of our long-standing trustee, and latterly Chair, Sue Charman, in January 2021.

Charitable objects

The objects of the Charity are for the public benefit:

1 The promotion of ethical principles in financial systems for the public benefit including (but not limited to) by:

1.1 Advancing education and promoting research into the UK and international financial systems and their constituent elements including in particular, areas of change and innovation within those systems, emergent trends, new financial business models and impacts of investments on society and the environment; and publishing or otherwise disseminating the results of such research and providing a forum for its discussion;

1.2 Promoting sustainable development by:

a. promoting the preservation and conservation of the natural environment and the prudent use of natural resources and ecological processes; and

b. promoting sustainable means of achieving economic progress and regeneration.

In this context, "sustainable development" means development that meets the needs of the present generation without compromising the ability of future generations to meet their needs.

2 Relief of poverty and improving the conditions of life in socially and economically disadvantaged communities.

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Growing purpose-driven finance

What we did

As part of our new strategy, we have broadened our scope from supporting early-stage financial innovators to significantly expanding the size and impact of financial institutions that put social and environmental purpose at their heart. To initiate this work, in 2020 we published a discussion paper, *Barriers to Growing the Purpose-Driven Banking Sector in the UK*. The report provides an up-to-date summary of the state of purpose-driven banking in the UK. It identifies the different institutions offering purpose-driven banking services, what sets these institutions apart from mainstream banking, and key barriers to growth.

Growing purpose-driven finance (cont'd)

What we did (cont'd)

We undertook a number of additional initiatives in 2020 to offer practical and effective support to help purpose-driven finance institutions break through the barriers that are holding them back. For example, we:

- **Published an Open Banking Guide for Credit Unions** and presented our findings to the HM Treasury financial services team. Credit unions are a vital example of financial institutions that provide fairer and responsive financial services to marginalised communities. They face existential threats from the rapid digitisation of finance, which our guide is helping them to overcome.
- **Learned the lessons from our 2019 Lab Fellowship**, our unique incubator programme for financial innovators with a social or environmental mission. This supported innovations harnessing the power of data to build a financial system that serves people and planet, and we continued to support Fellowship alumni through our Community programme.
- **Supported the new network of regional community banks** which aim to provide fair, sustainable banking for all, boost local economies and shift the banking funding model away from fees and penalties that mean the poorest and marginalised end up paying more of the costs of banking. This included advising a new initiative to explore the development of a community bank for Oxford, and providing expertise to support Avon Mutual's fundraising. We also supported the network to advocate for the Bank of England to develop simpler regulation for small banks, which could support the establishment of regional mutual banks.

A particular focus for us has been how purpose-driven banks can keep abreast of technological developments, so that they remain relevant to customers, and can be supported to use technology in a way that is affordable and aligns with their values.

The difference we made

Our work has helped to raise awareness amongst policymakers and industry of the need to consider credit unions when developing policies around the use of technology in finance, which will help ensure they are not left behind, and that opportunities to use this in socially useful ways are not missed. For example, the Open Banking implementation entity's website now has a credit union section, which features our guide.

Our internal evaluation of the Fellowship in 2019 highlighted the programme's strengths in supporting Fellows to hone and embed purpose into a business strategy, communicate effectively about transformative innovation in finance, develop collaborative leadership skills, and feel part of a community of support.

Growing purpose-driven finance (cont'd)

The difference we made (cont'd)

The 2019 Fellows saw a number of achievements during 2020, to which the Lab contributed. For example:

- CoGo partnered with Natwest on a pilot to help customers track the carbon footprint of their spending;
- Tumelo announced a partnership with Legal and General, to give people transparency and a shareholder voice over their pensions; Tumelo was also recognised as one of ten hottest fintechs of 2020, and their founder (and Lab Fellow) Georgia Stewart was recognised as a Standout Star on the 2019 Innovate Finance Women in Fintech Powerlist and won innovator of the year at the Women in Pensions Awards;
- NestEgg joined the FCA's sandbox and were selected as a finalist of Nesta's Rapid Recovery Challenge. In the wake of COVID-19, they led calls and offered ways for mainstream banks to refer people declined for loans to the affordable credit sector.

"I wanted to meet other people working for change, to find the right partnerships and re-install a sense of purpose to my work. Additionally, I wanted to raise the profile of NestEgg and see how it could contribute to wider systems change. All of this, and more, has been delivered." – Adrian Davis, NestEgg

Shifting mainstream finance

What we did

Mainstream players such as large banks and pension and insurance funds must shift their activities significantly if they are to be fit for purpose in a just and sustainable world. We know that a single person or initiative cannot drive transformational change in a large institution on their own. That's why we are:

- **Building a diverse community of disruptive banking intrapreneurs.** We coined the term 'systemic intrapreneur' to describe banking professionals seeking to transform their institution from within by aligning core strategy, operations and culture with positive social and environmental outcomes. We have learned that providing targeted support for active intrapreneurs and disseminating insights from this work across the wider sector better leverages our resources for scalable impact.

Shifting to online delivery once the pandemic took hold, in 2020 we hosted five peer learning events with participation ranging from seven to 50 systemic intrapreneurs. A highlight was the Climate Safe Learning Lab, a confidential peer learning space for banking professionals advancing the just transition agenda within their institutions.

Shifting mainstream finance (cont'd)

What we did (cont'd)

This was attended by 50 banking professionals from five continents, ranging from graduate to managing director level, and working in diverse roles across their banks. Participants spent a half day unearthing the organisational, cultural and behavioural barriers that prevent their bank from taking greater action on the just transition to a low carbon economy.

- **Directly influencing banks through long-term strategic partnerships.** We have so far engaged with two of the UK's Big Four banks to test how we can have the greatest impact – whilst still retaining the Lab's independence of thought and purpose. The kinds of engagement that have proven effective include: one-to-one coaching of key changemakers internally; bringing in experts from the Lab community to raise awareness of what purpose-driven finance looks like in practice; facilitating strategic connections to Lab community members; participatory workshops to identify key barriers to purpose-driven change and identifying solutions.
- **Collaborating with fellow bank influencers including campaigners and NGOs.** This includes sharing information, supporting strategy development, and building networks.

The difference we made

During 2020 we grew our community of systemic intrapreneurs to 118 individuals in the UK with 67 participating in at least one initiative, and with an additional 48 programme participants internationally. Through attending events and being supported by the Lab, systemic intrapreneurs built relationships with one another, confidence in their capacity as changemakers, and gained new knowledge and tools for creating change. 48% of participants from the 2019 Climate Safe Learning Lab returned to participate in 2020, with several sharing stories of how they attribute the initiative to a significant increase in their ability to influence change. With consent from participants we published insights in a learning report for the benefit of other climate-focused intrapreneurs and also to inform the strategies of pressure groups influencing banks from the outside. Through relationships built with systemic intrapreneurs we have received invitations to support banks with embedding social and environmental purpose at the strategic level.

In 2020 we continued working as part of one major banking institution's five-year change programme. Through facilitated strategy workshops, and ongoing coaching and advisory, we have been supporting the social innovation team to transition from being a siloed, peripheral business function to becoming internal consultants for embedding social and environmental purpose into all core business units in the bank. After two years of engagement with this team, not only have they achieved this strategic shift, but social and sustainability concerns are now so embedded into business as usual that they feel there is less need to have a specific team dedicated to this. While a range of wider contextual factors have created an enabling environment for this change to occur, the leader of this team confirms they clearly see both "direct and non-linear effects" of the Lab's support.

Advocacy and influencing

What we did

In 2020, we revitalised our advocacy work. This forms part of the programme to influence law, regulation and policy – set out in our new 2030 strategy.

Transforming data

In 2020, we developed the Transforming Data Network (TDN) of third sector organisations, representing diverse interests, who want to understand and advocate for social and environmental purpose to be prioritised as finance becomes more technologically driven. We engaged over 150 third sector organisations through workshops and meetings.

Our report *Lifting the Lid on Fintech*, published in December 2020, draws on the insights of TDN and examines the way technology-driven innovation is changing finance on a systemic level. It shows how finance is learning from Big Tech and the 'platform' which is enabled and powered by the mass acquisition and manipulation of data. This is leading to a concentration of corporate power and increased threats to democracy, sustainability, justice, and resilience.

The report formed the basis of our input to the government-commissioned Fintech Strategic Review.

"... a striking report by the UK-based Finance Innovation Laboratory shows that there is a dark side to fintech too: a lack of data privacy and concentration of power on some platforms, and extensive energy usage." – Gillian Tett, FT

We also built a strong civil society voice for social and environmental impacts to be prioritised in Open Finance – a major new government-led programme of the data revolution. We responded to the FCA's call for input in the spring, and in June partnered with debt charity StepChange to organise a workshop which was attended by over 60 representatives from the third sector. As a result of the workshop, we identified a need to develop a third sector-led vision for how Open Finance could serve the needs of individuals and communities, particularly those that are vulnerable and marginalised. In September we formed the Open Finance Working Group, which includes ABCUL (the Association of British Credit Unions), Fair by Design, Fair4All Finance, Macmillan, and The Open Data Institute, among others, to take this on. We have also undertaken activities together including responding to the National Data Strategy and securing a meeting with the FCA's Open Finance Team.

Transforming finance

Following the COVID-19 outbreak, the Lab reinvigorated the Transforming Finance Network (TFN), which brings together civil society organisations working on policy change to transform finance to serve people and planet. Convened by the Lab and Positive Money since 2013, the network includes over 40 civil society organisations.

Advocacy and influencing (cont'd)

What we did (cont'd)

TFN worked together to ensure social justice and financial resilience were firmly embedded in COVID response policies and the post-COVID recovery. During the year we built shared knowledge about how finance and the policy landscape were changing in light of the pandemic, and produced publicly available resources to share learnings and influence public policy.

The Lab played a leadership role in civil society advocacy on key issues, including the Financial Services Bill and the Financial Services Future Regulatory Framework Review. We prepared a submission to the Financial Services Bill Committee, briefed MPs and our CEO gave evidence to the Financial Services Bill Committee.

The difference we made

The data revolution, turbo-charged by the pandemic, is rapidly changing finance. The Lab's Transforming Data programme has developed an effective civil society response to this challenge, by helping civil society organisations work together to keep abreast of and understand complex and opaque developments. For example, before the Open Finance workshop we ran in June, participants' average reported confidence in explaining what Open Finance is and what it means for their work was 3/5 and 2/5. Afterwards it was 4/5 for both.

We have also worked with TDN to develop an agenda for change, focusing on how the direction of data-driven finance reforms needs to be shifted to work for people and planet, and shared this with policymakers. As a result of the Lifting the Lid on Fintech report, a number of opportunities arose to advocate to senior policy makers and regulators. For example, a senior HM Treasury official told us that our report was a valuable resource, usefully evidencing social and environmental risks, and offering new perspectives they do not normally hear. In 2020, our work on Open Banking/Finance was referenced in reports by the RSA and the Institute for Public Policy Research (IPPR).

The UK's financial sector is undergoing significant change. Following Brexit, the transfer of powers from Brussels to London has opened up questions about the purpose of finance and its role in our economy, as well as how the public can hold the sector and relevant policymaking to account. The Lab has played a key role in highlighting the critical need for all financial sector policy and legislation to refocus on the impacts on the real economy, the environment, inequality and other social and environmental issues. We identified the need to respond to the most important government agendas – the Financial Services Bill and the Financial Services Future Regulatory Framework Review – and coordinated civil society advocacy in order to ensure that the future of finance is not just shaped by vested interests.

Building our community

What we did

The Lab's community of practice is made up of over 650 financial changemakers, including purpose-driven innovators, intrapreneurs, regulators and investors. The community plays an important role in connecting, supporting and amplifying the work of innovators, including ensuring ongoing support for our Fellows beyond the end of the formal Fellowship programme.

In early 2020 we held an event for our Women in Financial Innovation network (a sub-community addressing the marginalisation of women within and by the financial system, that we have convened since 2018) in partnership with Friends of the Earth's Own It initiative. The event explored how women can take climate action with their personal finances while also securing their own financial futures, and resulted in 23 pledges of further participation with the Own It project.

After the onset of the pandemic, we shifted our community activities to support immediate COVID-19 response work, particularly community members working to ease the financial impacts and support the financial health of marginalised communities in the UK. We held online events to showcase and gain support for their work, undertook extensive match-making for coronavirus-response projects and highlighted initiatives and resources through our communications.

We ran a mutual mentoring pilot to support the leadership development of people in our community. We have also continued our work to promote racial justice in the financial system, including supporting our People of Colour in Financial Innovation community through sharing relevant resources and opportunities, and writing about the relationship between racism and finance.

The difference we made

The Lab's community strategy, launched in May 2019, set a target of adding 150 new members to our community by the end of 2020. This target was exceeded, with 215 new community members onboarded.

We have made over 350 connections for community members since 2019, with connections resulting in partnerships, client introductions, referral relationships, advisory board engagements and speaker invitations for community members. Our community events, which consistently get excellent feedback, result in further connections and follow-up opportunities for community members.

Community members report a strong level of awareness and understanding of the Lab's work, (with 76.9% agreeing or strongly agreeing) and commitment to the Lab's vision (with 94.9% agreeing or strongly agreeing). Our efforts to make the Lab community diverse and inclusive are making progress: over 40% of our community are women, and over 20% are people of colour.

Building our community (cont'd)

The difference we made (cont'd)

The strongest testament of the difference made by our community programme comes from the community itself. Here's how they describe the Lab community:

"A fantastic, expert and collaborative community to discuss imperatives, build partnerships, share knowledge and network on Fintech innovation and inclusive solutions for society and the economy."

"A great place to connect with other people doing exciting things in ethical finance. Friendly and inclusive. Different to typical networking in finance sector."

"A group of innovators and practitioners who are building and influencing financial systems that work for everyone."

Shaping the debate

What we did

In 2020 the Lab issued the following publications:

- **Barriers to Growing the Purpose-Driven Finance Sector in the UK**, a discussion paper exploring the concept of purpose-driven banking, which will inform the development of our new programme to grow and strengthen financial institutions that put social and environmental purpose at their heart. The report provides an up-to-date summary of the state of purpose-driven banking in the UK. It identifies the different institutions offering purpose-driven banking services (building societies, CDFIs, credit unions, ethical banks, and mutual banks), what sets these institutions apart from mainstream banking (their mission, supported by ownership, governance, and culture and leadership), and key barriers to growth.
- **Lifting the Lid on Fintech: What does technology mean for a financial system that serves people and planet?** This report sets out our thinking on how fintech is transforming finance on a systemic level, leading to increased threats to democracy, sustainability, justice, and resilience in finance. When the dominant narrative around the use of tech in finance is shaped by industry and focuses on market opportunities, Lifting the Lid takes a critical lens to fintech and shines a light on the importance of considering its social and environmental risks. It also proposes seven principles to guide policymakers and regulators in order to realise fintech's positive potential.
- **Climate Intrapreneurs: Insights from the front lines of bank climate action.** This is a synthesis of the insights from the recent Climate Safe Learning Lab convening which the Lab hosted with the Climate Safe Lending Network. It shares insights into the organizational, behavioural and cultural dynamics that limit climate action within large mainstream banks and how banking professionals are addressing them.

Shaping the debate (cont'd)

What we did (cont'd)

- **A Banker's Guide for Transforming Finance.** This report shares our learning from a two-year pilot programme to support intrapreneurs within large mainstream banks. Taking a systems change lens, we explore how intrapreneurs are working to create change within their institutions, the common barriers they face, effective strategies they use and the support they require.

In recognition of the Lab's expertise, our team are also frequently asked to share their expertise in various settings. Examples include:

- Participating as a member of the Advisory Committee for the London School of Economics' Banking on a Just Transition initiative. Our insights about how systemic change happens within banks were embedded into the initiative's seminal publication with Finance Innovation Lab directly referenced in the report. As a result, we have since been invited to join the Financing a Just Transition Alliance which is working to ensure social inclusion of workers, businesses, citizens and communities is embedded in climate finance policy and practice.
- Presenting to the All Party Parliamentary Group on the Green New Deal about the role of banking and finance in financing a green and fair recovery.
- Speaking at a UK Sustainable Investment and Finance Association conference on the deep transformation required for banks to align to net zero.
- Being interviewed about the just transition to "less cash" for the new IPPR podcast, as well as the impact of digital finance on inequality for the ICAEW website.
- Participating in the Customer Insight and Impact Group for Moneyline, the UK's leading alternative to doorstep lending.
- Chairing the fintech panel of the fintech talents (FTT) Virtual Building Societies conference.
- Convening a 'Community of Communities' group to enable peer learning around the role of community in systemic change.

The difference we made

The strength and credibility of our work enables us to amplify the work of our community, challenging and changing narratives and norms around finance on a wider scale. To further the reach of our ideas and amplify the impact of our programmes we also engaged with national and industry media and contributed to changing the narrative on finance, with the Lab's work featured in Financial Times Moral Money, iNews, openDemocracy, Finextra, Novara Media, Co-op News, Civil Society Media, Good With Money, Talking Credit Unions podcast and more.

2021 and beyond

2021 will be the first year implementing our new strategy. Further details on the strategy are available from our website at: <http://filab.uk/ourstrategy>. Building on work to date, and in line with our 2030 strategy, some key plans for 2021-2022 include:

- continue to grow our community of committed changemakers inside major financial institutions ('systemic intrapreneurs') to influence their banks to enable a just transition to a low-carbon economy; build their skills, knowledge and motivation to lead change; and support them to influence their wider institutions.
- work directly with banks in strategic partnership, providing advice, coaching, leadership development, and examples of purpose-driven finance enabling them to realign their purpose, products and services to a just transition, embedding this in their strategy, culture and operations.
- plan the fourth iteration of our highly successful Fellowship programme, which currently runs every two years and incubates promising innovators to develop initiatives that put social and environmental impact at their heart, and develops their ability to lead systemic change in finance.
- develop a new initiative to help the purpose-driven banking ecosystem grow and strengthen. This will begin by helping to create a sense of common identity within the community and identifying common barriers to growth as well as opportunities to tackle them. It will also include supporting the advocacy efforts of the network of regional cooperative banks, credit unions and community finance institutions.
- step up our efforts to influence the major policy changes that are planned in reaction to the economic crisis and Brexit. As part of this we have reinvigorated the Transforming Finance Network of over 40 civil society organisations, but we are also working in collaboration with wider civil society networks and organisations.
- develop and strengthen the Transforming Data Network we built in 2020 in order to continue influencing data-driven finance so that it serves everyone in society.
- continue building and supporting our community of those inside and outside the financial sector who want to transform finance, through outreach, activities and events, and ongoing thought engagement work.
- document our research, learning, and tools, and disseminate these through our community and partners, speaking engagements and Lab communications channels.
- grow and diversify our income sources to expand our reach and impact.

The impact of COVID-19

During 2020, the coronavirus pandemic had a profound impact across all sectors and countries. In line with guidance published by the SORP-making committee, the trustees have identified the key impacts of this crisis on the Lab to date as follows:

Charitable activities

The team reviewed all planned programmatic work to consider which elements remain both viable and relevant given the dramatic change in context. The most immediate impact of the crisis was on our community programme, as our community strategy previously set a deliberate focus on face-to-face events. A series of community events on the particular barriers that people from other underrepresented groups face in finance, planned for early 2020, were postponed due to COVID-19.

Aided by the movement of much of our daily interactions online, we trialled our first online community event in late April. We have found that the switch to online convenings has opened up valuable opportunities, including widening access for participants. We focused our community support on COVID-19 response initiatives, offering tailored match-making and additional amplification through our communication channels.

Fundraising and finance

Thanks to our funding structure - and to our funders, for whose ongoing support we are incredibly grateful - we have to date been largely sheltered from the most acute financial impact of the pandemic.

In May 2020 we secured a further grant from Partners for a New Economy, and in December we secured a further grant from Friends Provident Foundation, both for two years. During the year we were grateful to receive a booster grant from the Joseph Rowntree Charitable Trust, subsequently renewing our core funding from the Trust up to 2025. We also secured a grant from the Paul Hamlyn Foundation to support our Transforming Data project.

The funding environment is in flux, with many funders diverting their focus to existing grantees and frontline responses, and the long-term impact of the COVID-19 crisis on fundraising is not yet clear. However, given existing funding commitments the trustees consider there are currently no material uncertainties about the charity's ability to continue as a going concern.

Staff, volunteers and operations

Individually and collectively we are juggling competing personal and professional demands and passions, while simultaneously processing this experience of ongoing trauma and loss. Our priority in the early stages of this crisis was to support the wellbeing of our team, board, other volunteers and wider community, as only by doing so can we continue to deliver the impact on the financial system that we strive to achieve.

From 13 March 2020 the team switched to working from home full time. While our office is in central London, the crisis has seen some staff moving as far afield as Scotland (prior to lockdown) to be closer to family members. Given the nature of our work we chose not to officially return to the office during 2020, although limited office space has remained available to staff if needed. We expect remote working to continue as the norm for us well into 2021.

Given this, we negotiated a discount on our office space during the year, and have since reduced our contract to a minimum of desks to ensure we have some space available to us whilst minimising costs. We continue to keep this contract under review.

Among our trustees, the additional pressures caused by the pandemic – including the closure of schools and nurseries - led some board members to reduce their involvement for periods during the 2020 and early 2021. We fully support them in this decision, and given the size of our board, the trustees are comfortable that the board's role was not detrimentally impacted as a result of this.

Ongoing impact

While predictions of any kind are very difficult at this stage, it is already clear that the economic impact of the current pandemic will be far greater than the last financial crisis, but that the role of finance will be just as important. In response to this, we will continue to adapt and refocus our work based on a vision for the future of finance post-COVID, and see this as an opportunity to accelerate our work of challenging and changing narratives and norms about finance.

Our structure and governance

The Finance Innovation Lab was established as a Company Limited by Guarantee (CLG, number 09380418) on 8 January 2015 and became a Registered Charity (number 1165269) on 22 January 2016. Our constitutional documents are our Articles of Association.

Our Board

The board can consist of up to fourteen trustees, all able to serve two terms of three years. Sub-committees of the board are convened to expedite the execution of duties. Current sub-committees are the Finance and Operational Risk committee, and the Communications and Fundraising Committee, both of which meet quarterly in advance of board meetings. In addition, the Chair and Vice Chairs meet together with the CEO and COO on a monthly basis.

Trustee recruitment is conducted via an open application process advertised via various different channels. Induction support is provided to all new trustees by the staff team and Chair. This includes copies of relevant policies, procedures, and governance information.

Trustees' Report Year ended 31 December 2020

The trustees who served during the financial period were:

Brhmie Balaram	Appointed 30 April 2019
Christopher (Kit) Beazley (Chair from 27 January 2021)	Appointed 30 April 2019
Simon Borkin	Appointed 30 April 2019
Katherine Boswell	Appointed 30 April 2019
David Carrington (Vice Chair)	Appointed 30 April 2019
Susan Charman (Chair until 27 January 2021)	Resigned 27 January 2021
Mikael Down	Appointed 15 October 2019
Nana Francois	Appointed 30 April 2019
Casey Lord	Appointed 30 April 2019
Laurie Macfarlane	Appointed 30 April 2019
Katherine Ormiston Smith (Treasurer)	Re-appointed 15 October 2020
Amit Shah	Appointed 30 April 2019
Marsha Taylor-Daniel (Vice Chair until 8 December 2020)	Resigned 8 December 2020

In October 2019, trustee Sue Charman took over as Chair until her term on the board expired in January 2021. Sue was the Lab's longest serving trustee, having been involved since 2009 when the Lab emerged from a collaboration between WWF-UK and the ICAEW. The support Sue has provided to the Lab and its team over the years is impossible to measure, and we will greatly miss her thoughtful approach and wise counsel.

At the end of 2020 our Vice Chair, Marsha Taylor-Daniel, also stepped down for personal reasons. We are grateful for her contribution to our work, and for the energy she brought to the Lab during her time on the board.

An external recruitment process for the role of Chair began in late 2020, and despite some strong external applications we were not able to find the required mix of skills to make an appointment. Due to other commitments, none of our existing board members had applied for the role – but much has changed for us all during the pandemic, and at the end of 2020 some of the board felt able to step up to key roles for an interim period. Kit Beazley took on the role of Chair, and will be supported by existing Vice Chair David Carrington, alongside current trustees Amit Shah and Nana Francois. In line with our core values of collaboration, empowerment and ambition, this group are working together with our CEO and COO to co-create what this shared leadership structure will look like.

Trustees' Report Year ended 31 December 2020

Our team

Day-to-day management is delegated to the Chief Executive Officer.

The Lab team during 2020 was:

Jesse Griffiths	Chief Executive Officer (from 27 April 2020)
Anna Fielding (prev. Laycock)	Chief Executive Officer (until 27 April 2020, remaining as Strategic Advisor until 10 June 2020)
Rebecca Sumner Smith	Chief Operating Officer
Marloes Nicholls	Head of Programmes
Lydia Hascott	Head of Intrapreneurship
Naomi Alexander Naidoo	Community Manager
Yvonne Morris	Operations Officer (from 13 March 2020)
Rosanna O'Donnell	Team Coordinator (until 10 February 2020)

Key management personnel during the year were Jesse Griffiths, Anna Fielding (prev. Laycock) and Rebecca Sumner Smith. Remuneration is reviewed and agreed annually by the trustees with reference to salary bands which have been set after consideration of external benchmarking. The Lab is an accredited Living Wage employer and we are committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain people with the right skills to have the greatest impact in delivering our charitable objectives.

In 2020, we completed recruitment of our new CEO, Jesse Griffiths, who joined us as CEO on 27 April 2020. Anna left on 10 June 2020, after an extended handover period. During her five years with the Lab, Anna oversaw its growth from a joint project of WWF-UK and the ICAEW to a thriving, independent charity with a unique personality and an open and inclusive culture. Key achievements in that time include building the world's first incubator for purpose-driven financial innovation; stimulating a new debate about the social purpose of financial institutions and the bodies that regulate them, and developing a ground-breaking programme to transform mainstream banking. We thank her for her hard work and dedication, for all she did in support of the team and the community, and for all she achieved in her time as CEO.

We are grateful for the support of our volunteers, Callum Bray, Dilan Saujani, Robin Watts and Matt Bedford. Their contribution to the Lab in 2020 is estimated at around 168 hours.

We also worked with a range of freelancers during the year who brought invaluable insight and skill to our work: Becca Bartholomew, David Clarke, Sarah King, Jacqueline Lim, and Robin Watts.

Compliance with the Charity Governance Code for smaller charities

The Charity Governance Code ('the Code') is a voluntary code intended to help charities in England and Wales, and their trustees, develop high standards of governance. The Code has been designed as a tool to support continuous improvement – something core to the Lab's values and systems-focused approach.

Trustees' Report Year ended 31 December 2020

The Lab is committed to the aims of the Code. As such, the trustees have resolved to adopt the Code and the Principles as a tool to identify areas to focus on. An updated version of the Code was released in December 2020, and in early 2021 the trustees engaged in a review of the Lab's governance in line with the Code practice. We will include further details in our annual report and accounts for the year to 31 December 2021.

Equality, diversity and inclusion

The Lab is committed to providing equality and fairness for all and not to discriminate on any basis, including gender, marital status, race, ethnic origin, colour, nationality, national origin, disability, sexual orientation, mental health, religion or age. From the outset, the Lab has worked to build a culture which is open and inclusive, and actively to support equality, diversity and inclusion in our internal practices as well as our programmatic work. As part of our work on the updated Charity Governance Code we will be reviewing our practices in detail, with the aim of providing more detailed reporting in this area in future.

Where did our money come from?

In 2020, we received income from the following sources:

	2020 (£)
Grants and donations	
Partners for a New Economy	112,498
Friends Provident Foundation	100,000
Tudor Trust	50,000
JRCT	56,992
Barrow Cadbury	49,750
Paul Hamlyn Foundation	20,000
	389,240
Consultancy Income	22,470
Participant contributions & sponsorship	320
Interest and reimbursed expenses	0
Total	412,030

What did we spend it on?

Our biggest cost is our team: the talented people who design and deliver our programmes.

In non-COVID years our biggest areas of spend outside of staff costs are venue hire and hosting costs for our workshops, conferences, roundtables, events and residential retreats for programmes like our Fellowship. From March 2020, all Lab events shifted to online delivery, reducing costs. As a result, our largest areas of spend in 2020 were rent and accounting costs, as well as freelance costs for additional programme staff.

	2020 (£)
Staff costs	297,383
Rent, IT and other running costs	36,252
Accountancy, audit and legal fees	22,025
Freelance staff	17,500
Venues and hosting events	52
Communications and research	4,816
Meetings, travel and subsistence	407
Total	378,435

Results for the year

Total income for the year was £412,030 (2019 - £362,655) of which £178,790 was unrestricted (2019 - £137,546) and £233,240 was restricted (2019 - £225,109). Unrestricted expenditure was £159,790 (2019 - £140,981) resulting in a surplus on unrestricted funds for the year after transfers of £19,000 (2019 – deficit of £3,435). Restricted expenditure was £218,645 (2019 - £249,013) resulting in a surplus on restricted funds for the year after transfers of £14,595 (2019 – deficit of £23,904).

Our financial position

The trustees set the Lab's target reserves at a level sufficient to ensure our financial stability and ability to meet our charitable objectives for the foreseeable future. Our target is to maintain reserves at a level that is at least equivalent to three months' core operational expenditure. The trustees review the amount of reserves that are required on a quarterly basis.

At 31 December 2020, the Lab had unrestricted reserves of £85,660, which represented 40% (or 4.79 months) of core operational expenditure. Having reviewed both the policy and reserves level in light of the ongoing uncertainty caused by the coronavirus pandemic, the trustees consider the level of reserves held to be appropriate.

Thank you

The Lab exists to change one of the most powerful, self-serving and unaccountable systems in the world: the financial system.

We didn't take this on because it's easy to achieve or easy to fund. We took it on because we believe that transforming the financial system is the key to unlocking some of the most wicked problems of our time.

Trustees' Report Year ended 31 December 2020

We believe it can be done. And we have the courage to try.

We'd like to express our sincere thanks to all of those who have made our journey possible so far, including:

- The Lab team and volunteers
- The Lab's founding partners, WWF-UK and ICAEW
- The Lab's co-founders: Charlotte Millar, Jen Morgan, Rachel Sinha and Richard Spencer
- Our Senior Fellows: Bertrand Beghin, Christine Berry, Fran Boait, Gemma Bone Dodds, Diane Burrige, Martin Campbell, Bruce Davis, Simon Deane-Johns, Anna Fielding, Tony Greenham, Julia Groves, Malcolm Hayday, Nonhlanhla Makuyana, Reema Patel, Faith Reynolds, Karl Richter, Brett Scott, James Vaccaro, Emma Vartolomei and Bryan Zhang.
- Our funders, donors and supporters in the UK and beyond.

Statement of trustees' responsibilities

The trustees (who are also Directors of Finance Innovation Lab for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable

Trustees' Report Year ended 31 December 2020

them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

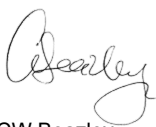
Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustee has taken all the steps that they ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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.

Approved by the trustees of the charity on 20 July 2021 and signed on its behalf by:



CW Beazley

Trustee

Independent auditor's report to the members of Finance Innovation Lab

Opinion

We have audited the financial statements of Finance Innovation Lab (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the notes to the financial statements. 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 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 charitable company'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 and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report and financial statements. 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 is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

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, 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

Auditor's responsibilities for the audit of the financial statements (continued)

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive, flowing style.

Hugh Swainson, Senior Statutory Auditor
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 27.7.2021

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £
Income from:				
Donations	3	156,000	233,240	389,240
Charitable activities	4	22,790	—	22,790
Total income		<u>178,790</u>	<u>233,240</u>	412,030
Expenditure on:				
Raising funds	6	(16,953)	(23,381)	(40,334)
Charitable activities	5	(142,837)	(195,264)	(338,101)
Total expenditure		<u>(159,790)</u>	<u>(218,645)</u>	(378,435)
Net income and net movement in funds		<u>19,000</u>	<u>14,595</u>	33,595
Reconciliation of funds				
Total funds brought forward		66,660	36,524	103,184
Total funds carried forward	17, 20	<u>85,660</u>	<u>51,119</u>	136,779

Comparative figures for the year ended 31 December 2019:

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £
Income from:				
Donations	3	95,000	225,109	320,109
Charitable activities	4	41,697	—	41,697
Other income		849		849
Total income		<u>137,546</u>	<u>225,109</u>	362,655
Expenditure on:				
Raising funds	6	(21,356)	(30,368)	(51,724)
Charitable activities	5	(119,625)	(218,645)	(338,270)
Total expenditure		<u>(140,981)</u>	<u>(249,013)</u>	(389,994)
Net (expenditure) and net movement in funds		<u>(3,435)</u>	<u>(23,904)</u>	(27,339)
Reconciliation of funds				
Total funds brought forward		70,095	60,428	130,523
Total funds carried forward	17, 20	<u>66,660</u>	<u>36,524</u>	103,184

All of the charity's activities derive from continuing operations during the above two periods.

Balance sheet Year ended 31 December 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible fixed assets	13	4,760	2,573
Current assets			
Debtors	14	2,801	9,875
Cash at bank and in hand		158,984	122,744
		161,785	132,619
Creditors: amounts falling due within one year	15	(29,766)	(32,008)
Net current assets		132,109	100,611
Net assets		136,779	103,184
Funds of the charity:			
Restricted funds	20	51,119	36,524
Unrestricted funds		85,660	66,660
Total funds	17	136,779	103,184

The financial statements on pages 29 to 39 were approved by the trustees, and authorised for issue on 20 July 2021 and signed on their behalf by:



Christopher Beazley
Trustee

Finance Innovation Lab: A company limited by guarantee. Company Registration No. 9380418 (England and Wales).

1 Charity status

The charity is a company limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Principal accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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) and the Companies Act 2006.

Basis of preparation

Finance Innovation Lab meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees have considered the impact of the COVID-19 crisis on the charity and put measures into place to ensure the Lab can continue its operations as described in the trustees report. Although the future fundraising is not yet clear, given existing funding commitments in place the trustees consider there are currently no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity

Exemption from preparing a cash flow statement

The charity has applied Charities SORP (FRS 102) and have therefore not included a cash flow statement in these financial statements.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

2 Principal accounting policies (continued)

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Computer equipment	25% straight line

2 Principal accounting policies (continued)

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

3 Income from donations

	Unrestricted funds £	Restricted funds £	Total 2020 £
Grants from:			
- Charities	156,000	233,240	389,240
	<u>156,000</u>	<u>233,240</u>	<u>389,240</u>
	Unrestricted funds £	Restricted funds £	Total 2019 £
Grants from:			
- Charities	95,000	225,109	320,109
	<u>95,000</u>	<u>225,109</u>	<u>320,109</u>

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £
Consultancy (social and sustainable finance and financial reform)	22,470	—	22,470
Participant contributions & Sponsorship	320	—	320
	22,790	—	22,790
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total 2019 £</i>
Consultancy (social and sustainable finance and financial reform)	29,279	—	29,279
Participant contributions & Sponsorship	12,418	—	12,418
	41,697	—	41,697

5 Expenditure on charitable activities

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £
Direct costs		5,007	10,020	15,027
Staff costs	11	75,792	143,912	219,704
Freelance staff		9,400	8,100	17,500
Allocated support costs	7	52,638	33,232	85,870
		142,837	195,264	338,101
	<i>Notes</i>	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total 2019 £</i>
Direct costs		2,680	37,036	39,716
Staff costs	11	38,589	151,254	189,843
Freelance staff		—	15,300	15,300
Allocated support costs	7	78,356	15,055	93,411
		119,625	218,645	338,270

6 Expenditure on fundraising costs

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £
Staff costs	11	10,005	18,995	29,000
Allocated support costs	7	6,948	4,386	11,334
Total		16,953	23,381	40,334
	<i>Notes</i>	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total 2019 £</i>
Staff costs	11	7,047	27,619	34,666
Allocated support costs	7	14,309	2,749	17,058
Total		21,356	30,368	51,724

7 Support costs

	Notes	Fundraising costs £ Note 6	Charitable activities £ Note 5	Total 2020 £
Governance	8	668	5,060	5,728
Staff costs	11	5,676	43,003	48,679
Finance		22	164	186
IT		407	3,083	3,490
Legal and Professional		2,185	16,555	18,740
Establishment		2,350	17,804	20,154
Other		26	201	227
Total		11,334	85,870	97,204

	Notes	Fundraising costs £ Note 6	Charitable activities £ Note 5	Total 2019 £
Governance	8	633	3,465	4,098
Staff costs	11	6,669	36,522	43,191
Finance		34	186	220
IT		320	1,754	2,074
Legal and Professional		2,511	13,751	16,262
Establishment		5,640	30,885	36,525
Other		1,251	6,848	8,099
Total		17,058	93,411	110,469

8 Governance costs

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £
Board costs	10	336	1,185	1,521
Audit fees	9	169	4,038	4,207
Total	7	505	5,223	5,728

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £
Audit fees	7 & 9	—	4,098	4,098

9 Net income

Net income for the year is stated after charging:	Notes	2020 £	2019 £
Audit fees	8	4,207	4,098
Operating leases – land and buildings		18,240	34,459
Depreciation		1,318	1,457

10 Trustees' remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2019: Nil).

No other trustees have received any other benefits from the charity during the year (2019: Nil).

Expenses totalling £450 (2019: £786) for board meeting venue costs and refreshments was spent during the year.

Five trustees (2019: 6) were reimbursed expenses of £1,071 (2019: £3,215) principally on travel to both trustees meetings and to assist with interviews.

Gifts to the value of £181 (2019: £55) were provided to three trustees on their retirement from the Lab or subsequent to suffering a bereavement.

11 Staff costs

The aggregate payroll costs were as follows:

Staff costs during the year were:	2020 £	2019 £
Wages and salaries	258,349	233,982
Social security costs	26,167	21,479
Employer pension contribution	12,867	12,239
	297,383	267,700

Key management personnel remuneration, which includes employer's National Insurance and pensions, for the year was £143,999 before tax (2019: £106,843). The increase from the prior year is due to (i) overlapping employment of the incoming and outgoing CEOs, to enable a successful handover, and (ii) having a COO in post for the full year (this role was new in 2019).

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as average full time equivalents was as follows:

	2020 No	2019 No
Average number of employees	6	6

The number of employees whose emoluments, excluding employers National Insurance and pensions, fell within the following bands was:

	2020 No	2019 No
£60,000 - £70,000	—	1

12 Taxation

Finance Innovation Lab is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

13 Tangible fixed assets

	2020 Total (computer equipment) £
Cost	
At 1 January 2020	6,567
Additions	4,846
Disposals	(1,399)
At 31 December 2020	10,014
Depreciation	
At 1 January 2020	3,994
Charge for the year	1,318
Disposals	(58)
At 31 December 2020	5,254
Net book value	
At 31 December 2020	4,760
At 31 December 2019	2,573

14 Debtors

	2020 £	2019 £
Prepayments and rental deposits	2,801	9,875

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	3,033	9,051
Other taxation and social security	7,555	7,583
Other creditors	—	1,926
Accruals and deferred income	19,178	13,448
	29,766	32,008

16 Financial commitments

At 31 December the charity had the following minimum lease commitments under non-cancellable operating leases as set out below:

	Land and Buildings 2020 £	Land and Buildings 2019 £
Operating lease payments due within 1 year	1,536	4,320

17 Funds

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2020 £
Unrestricted funds					
General	66,660	178,790	(159,790)	—	85,660
Restricted funds	36,524	233,240	(218,645)	—	51,119
Total funds	103,184	412,030	(378,435)	—	136,779

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2019 £
<i>Unrestricted funds</i>					
<i>General</i>	70,095	137,546	(140,981)	—	66,660
<i>Restricted funds</i>	60,428	225,109	(249,013)	—	36,524
<i>Total funds</i>	130,523	362,655	(389,994)	—	103,184

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Tangible fixed assets	987	3,773	4,760
Net current assets	84,673	47,346	132,019
Total net assets	85,660	51,119	136,779

	Unrestricted funds £	Restricted funds £	2019 Total funds £
<i>Tangible fixed assets</i>	—	2,573	2,573
<i>Net current assets</i>	66,660	33,951	100,611
<i>Total net assets</i>	66,660	36,524	103,184

19 Analysis of net funds

	At 1 January 2020 £	Net cash flow £	At 31 December 2020 £
Cash at bank and in hand	122,744	36,240	158,984
Net debt	122,744	36,240	158,984

	At 1 January 2019 £	Net cash flow £	At 31 December 2019 £
<i>Cash at bank and in hand</i>	142,189	(19,445)	122,744
<i>Net debt</i>	142,189	(19,445)	122,744

20 Restricted funds

Fund	Balance at 1 January 2020 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2020 £
Partners for a New Economy	36,524	—	(36,524)	—	—
Barrow Cadbury Trust	—	49,750	(30,468)	—	19,282
Tudor Trust	—	50,000	(50,000)	—	—
Paul Hamlyn Foundation	—	20,000	(15,821)	—	4,179
JRCT	—	992	(992)	—	—
Partners for a New Economy (2020 – 2022)	—	112,498	(84,840)	—	27,658
Total restricted	36,524	233,240	(218,645)	—	51,119

<i>Fund</i>	<i>Balance at 1 January 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfer between funds £</i>	<i>Balance at 31 December 2019 £</i>
Partners for a New Economy	58,562	166,609	(188,647)	—	36,524
Barrow Cadbury Trust	1,866	8,500	(10,366)	—	—
Tudor Trust	—	50,000	(50,000)	—	—
Total restricted	60,428	225,109	(249,013)	—	36,524

Partners for a New Economy – strategic grant supporting the Lab's work to build a financial system that serves people and planet, including innovation, intrapreneurship, advocacy and testing approaches to scaling our impact.

Barrow Cadbury Trust and *Paul Hamlyn Foundation* – project grants for our programme focusing on financial policy and regulation, in particular our work responding to the rise of data-driven finance.

Tudor Trust – grant to support core operational costs.

JRCT - Covid-19 Organisational Support Fund for existing grantees of the Joseph Rowntree Charitable Trust

21 Related party transactions

Other than as disclosed in notes 10 and 11, there were no other related party transactions during the year.

In the previous year, the following related party transactions took place.

- Christopher (Kit) Beazley is a trustee of the Lab and in November 2019, together with the Lab's Head of Intreprenurship, co-presented a talk on purpose to a major bank's finance team. Travel expenses were refunded, but no remuneration was paid for this support.