



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)

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Statement of trustees' responsibilities	19
Independent auditor's report	21

Financial statements

Statement of financial activities	25
Balance sheet	26
Statement of cash flows	27
Notes to the financial statements	28

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:

Staff costs during the year were:	2023 £	2022 £
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).