

REGISTERED COMPANY NUMBER: 12436197 (England and Wales)
REGISTERED CHARITY NUMBER: 1193597

Trustees' Report and
Audited Financial Statements for the Year Ended 31 December 2022
for
Centre for Public Impact Europe (formerly Centre for Public Impact UK)

Centre for Public Impact Europe
Contents of the Financial Statements
For the Year Ended 31 December 2022

	Page
Trustees' Report	1 to 9
Auditor's Report	10 to 12
Statement of Financial Activities	13
Balance Sheet	14
Statement of Cashflows	15
Notes to the Financial Statements	16 to 23

Centre for Public Impact Europe
Trustees' Report
For the Year Ended 31 December 2022

The Trustees present their report, which is also a Directors' report under company law, and audited financial statements for the year ended 31 December 2022.

The financial statements comply with the Companies Act 2006, the Memorandum and Articles of Association, and 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) (effective 1 January 2019) (2nd Edition).

Reference and Administrative Information

Charity name: Centre for Public Impact Europe

Charity registration number: 1193597

Company registration number: 12436197

Registered office and
operational address: 30 Stamford Street
4th Floor, Alto Building
London SE1 9LQ

Board of Trustees

Mr L Kamener	Chair
Mr E R Rhys Jones	Company Secretary
Ms R G Kennedy	
Prof P 't Hart	

Senior Management Team

Mr A Brown	Interim CPIE Director (from 1/1/2022 to 7/6/2022)
Miss K Rose	CPIE Director (from 7/6/2022)
Mrs R Harrison	Corporate Services Director
Ms H Hunter	Co-Programme Director of Scotland (from 18/9/2022)
Ms K Lawson	Co-Programme Director of Scotland (from 18/9/2022)

External Auditors - HW Fisher LLP, Acre House, 11-15 William Road, London NW1 3ER

Accountants - ChadSan, Castle House, Castle Street, Guildford, Surrey, GU1 3UW

Bankers - HSBC, 60 Queen Victoria Street, London EC4N 4TR

Solicitors - Stone King, Boundary House, 91 Charterhouse Street, London EC1M 6HR

Objectives and activities

The reporting period marks the second year as an independent UK charity. The Charity was founded by the Centre for Public Impact, a Swiss charitable foundation established by the Boston Consulting Group.

Purpose

CPIE's purpose is to reimagine government so that it works for everyone.

We believe in the potential of government to bring about better outcomes for people. Yet, we have found that the systems, structures, and processes of government today are often not set up to respond to the complex challenges we face as a society.

That's why we have an emerging vision to reimagine government so that it works for everyone. Our vision is a new era in which government adapts to address the complex challenges we face, emphasises the value of human relationships, and optimises for learning rather than control.

We refine and promote our vision for government by acting as a learning partner for governments, public servants, and the diverse network of changemakers leading the charge to reimagine government. We work with them to hold space to collectively make sense of the complex challenges we face and drive meaningful change through experimentation.

There are many ways we work alongside partners. Some of the main ways we support them are:

- **Action research and storytelling:** We push the boundaries of our current understanding, exploring new topics critical to the future of government. We share what we're learning and tell the stories of the people spearheading change worldwide.
- **Capability building and transformation:** We work alongside governments to help them build the mindsets, capabilities, tools and frameworks to lead in complexity. We support them in transforming structures and cultures to orient them towards learning and experimentation.
- **Supporting learning communities and spaces:** We convene public servants to connect, share knowledge, and accelerate learning in response to complex challenges.
- **Partnering to deliver impact through innovation:** We work with partners to design and deliver global philanthropic impact challenges to support systems and communities to deliver better outcomes through the transformative power of technology.

Public benefit

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to guidance on public benefit produced by the Charity Commission and believe the undertaking of these activities fully meets the requirements that all the Charity's aims are for the public benefit.

The Trustees and management team consider carefully any new initiatives or changes to delivery models to ensure they meet CPIE's primary charitable purpose.

Our strategic aims:

Our aim in Europe is to support changemakers in and around government and the public sector to transform their thinking and practice. We believe this is necessary for CPI's vision for government to be realised, and, ultimately, for government to work better for everyone.

To help us achieve this aim, CPIE set the following four objectives for our work. These act as both our north stars (stating the change we want to help bring about in the world) and as entry points for us to start our work with partners and each other.

1. We support changemakers to **reimagine relationships** between government, communities and the planet.
2. We support changemakers to **redesign public services** and **create a paradigm shift** so that relationships are prioritised, learning is centred and people's needs are put first.
3. We support the **building of learning environments** within organisations and across organisations.
4. As a team, we **model the change we want to see in the world**; so we are continually learning and embedding our organisational values in our working culture, practices and programmatic work to build an environment that enables everyone to flourish.

Achievements & Performance

We advance our mission and vision through the following pillars of programmatic work:

Government innovation and digital transformation

We support city governments and organisations to do innovation differently, enabling progress in tackling the most pressing challenges, by exposing them to design thinking and other methods.

With funding from the European Union, CPIE partnered with the United Nations Development Programme (UNDP) to co-design and deliver the Urban Imaginaries programme. A 10-month initiative, Urban Imaginaries is a learning journey that supports cities across Eastern Europe and Central Asia to develop solutions to their most pressing urban challenges through complexity-informed approaches. In 2022, 50 public officials from 18 cities across five Eastern Partnership countries benefited from training and support.

We worked with Bloomberg Philanthropies to explore the digital transformation landscape in cities and local governments and understand the challenges and opportunities they face in accelerating digital transformation. CPIE used these insights to build recommendations to inform Bloomberg Philanthropies' future philanthropic strategy.

In 2022, we also began a partnership with Google.org to build a more inclusive, sustainable and resilient Europe, through the Tech for Social Good Impact Challenge. CPIE is designing and running this Impact Challenge, which looks for bright ideas that leverage technology to positively impact individuals and communities across Europe, at the scale and pace the world needs today. Running until Autumn 2023, this programme partnership is the largest individual funding award CPIE has received.

Exploring a different approach to public management

We help organisations and partners to take a Human Learning Systems (HLS) approach to their public management practice, to transform how they work and make learning central.

CPIE has been key in developing the HLS approach and deepening understanding of how it could help improve public services and create better outcomes for people.

In 2022 we advanced our work in this area by partnering with Healthcare Improvement Scotland and Iriss to develop and publish *A Practical Guide for the Curious*. The guide aims to enable organisations and places to apply the HLS approach. Alongside Healthcare Improvement Scotland, we continued to build on this work by helping five sites to explore HLS in Scotland. We also commenced work with Inverclyde Council, supporting them to take an HLS approach in their Early Help team, focusing on helping those in the criminal justice system.

In England, we began working with Thurrock Council and Lancashire County Council to pioneer an HLS approach in their context and fundamentally change how their services work for their communities. In both projects, we are working with multi-agency partners to support them in designing different ways of working together and evaluating how they support the people using their services.

With seed funding from Lankelly Chase, we have continued to steward the HLS Collaborative, which we launched in 2021. This is a network of changemakers dedicated to supporting change in planning and delivering public services using a Human Learning Systems approach. We facilitated several learning sessions to understand how we can help organisations to explore this approach for themselves and provided communications support to the HLS Collaborative.

Building leadership mindsets and learning networks

We help leaders to build the mindsets, capabilities, tools and frameworks to lead in complexity. We support them in transforming structures and cultures to orient them towards learning and experimentation.

Collaborative Newcastle is an innovative partnership which aims to improve the health, wealth, and wellbeing of everyone in the city. We partnered with 40 leaders across NGOs, NHS and local mental health associations, which form Collaborative Newcastle, working with them to transform how they design and deliver services to encourage a more human and collaborative approach.

Supported by the Centre for Ageing Better, we collaborated with the Live Longer Better (LLB) network. Made up of Active Partnerships across England, the LLB network encourages active ageing through physical activity and increases people's health spans. In our role, we helped the network to learn collectively.

Advancing climate action

We help cities and organisations to drive the transformation needed to accelerate climate action.

Together with the TransCap Initiative and EIT Climate-KIC, we began exploring how city governments can make climate-related investments capable of catalysing the systems transformation necessary to meet the climate challenge. The long-term ambition of this partnership is to establish a centre of competence for systemic investing in cities.

Strengthening relationships between government and communities

We support organisations to work better together and with their communities, to enable improved public services.

In partnership with Frontline, the UK social work charity, we incubated and supported Crescendo - a social worker-led team. Working with Crescendo, we supported three local authorities across England to rethink children's social care, helping them make the changes needed to do their best work. We helped Tower Hamlets, Wandsworth, and Warrington to design a blueprint that outlines a different approach to delivering children's services, which enables them to spend more time building relationships with children and families.

We worked with Greater Manchester Combined Authority and regulatory and inspection partners - including CQC and Ofsted - to design more collaborative ways of working together to improve public services for those who experience multiple disadvantage. This has led to more work being commissioned to explore what this could look like in Oldham and Rochdale, with senior leaders in all organisations buying into the need for change.

The London Borough of Redbridge has been exploring how to enhance relationships with the local community through its Community Hubs programme. We supported them to keep learning central to efforts, helping them to establish the systems, processes, and culture to enable them to learn as they work.

Plans for the Future

In future years, the Charity will continue to work with local governments and philanthropic organisations to support changemakers in government and public service, so that government works better for everyone.

In 2023, our work with many partners is ongoing, but we are looking to broaden our funding base.

We are continuing our partnership with Google.org to advance tech for good and the responsible use of AI. We are excited to expand our work with them on a new initiative - AI for the Global Goals - which aims to use AI to accelerate progress against the UN Sustainable Development Goals (SDGs), with Google.org committing \$25M to support the most promising ideas. We will be developing this project stream as part of our innovation and digital transformation work.

Having broadened our geographic reach through a partnership with the UNDP on the Urban Imaginaries programme, we will explore how we can continue supporting these cities to take the next step, moving from ideation and experimentation to implementing their solutions. We also plan to expand our work with UNDP on Youth4Climate, a global initiative co-led by the Government of Italy, to boost youth-led and youth-inclusive climate action on the ground.

We will build upon our work with Healthcare Improvement Scotland and Inverclyde Council and are looking for more partnerships with local authorities across England and Scotland trying to address complex issues. In particular, we see so much more potential for advancing CPIE's vision in Scotland to explore in 2023.

Leaders shape the thinking and practice of governments and organisations. In 2023, we plan to investigate what a leadership programme for European changemakers could look like. As part of this, CPIE will launch the Convening Conversations in Complexity Course, a systems leadership course for those working across traditional boundaries. Two online events and one in-person event are planned.

Climate change is one of the most pressing issues facing governments and, indeed, the entire world. Accelerating action in this space is, therefore, critical to our plans. We will continue working with other CPI regions to reimagine climate action. We also aim to advance our work with the TransCap Initiative and EIT Climate-KIC by designing and piloting offerings for a Centre of Competence on Systemic Investing. We're also exploring work at the intersection of digital transformation and climate, with Impossible Ideas Inc, a public service venture studio looking to transform public services.

We are also working to build out our programme of work around reimagining relationships between communities and governments, honing our expertise and developing our partnerships in this space. In particular, we plan to support the University of Nottingham Rights Labs' research work with survivors of modern slavery in the UK. We will run co-design sessions with survivors, the research team and government practitioners to redesign systems and offer recommendations based on lived experience.

In addition, we are continuing to partner with Crescendo. Over the coming months, we will support this social worker-led team to deepen their work with local authorities and build new partnerships across London and the South East.

Finally, we will continue supporting other CPI regions in developing new project streams to 'do international development differently.'

Financial Review

The Charity funds its activities through funded projects with public sector organisations and grants from philanthropic organisations. Total income raised in the period was £1,997k (2021: £502k). Of which, £1,943k (2021: £502k) was unrestricted income and £54k (2021: £nil) was restricted income. Total expenditure was £1,819k (2021: £462k). Of which, £1,787k (2021: £462k) was unrestricted expenditure and £32k (2021: £nil) was restricted expenditure. As a result, the charity produced a surplus of £178k (2021: £40k) and was able to increase unrestricted reserves by £156k (2021: £40k) and restricted reserves by £22k (2021: £nil).

In this period, our programmatic activity has been funded through grants from CPI CH, service contract income from public sector organisations and new funding secured during the year from philanthropic organisations.

We take an incremental lockstep approach to expenditure, increasing programme staffing resources once additional revenue is confirmed. This is a critical part of the Charity's financial risk management process.

Going concern

Trustees continue to consider that the Charity is a going concern and able to meet its debts as they fall due, based on the following analysis:

- Budgets and forecasts for FY23-24 are based on known and secured sources or with further additional income targets that are considered to be achievable.
- The charity has no long-term liabilities and all costs are under the control of the Charity's Trustees and management, enabling responsiveness to any further downturn.
- CPI CH is willing to act as a funder of last resort in the event of financial uncertainty.

As of the date of signing these financial statements, the Trustees' forecasts indicate that CPIE will be able to maintain liquidity for a period of at least one year following the date of signing these financial statements and will therefore be able to continue to operate as a going concern. The Trustees consider that no material uncertainty exists in relation to going concern for CPIE.

Reserves policy

Trustees agreed a new reserves policy in September 2021, which incorporates a risk-based approach. The policy identifies the risk factors for which reserves are retained, the process for estimating the level of reserves required against each risk area and the circumstances under which reserves may be built above the minimum reserves level for future investment.

Total funds at the year-end are £218k (2021: £40k), of which £156k (2021: £24k) are free reserves. The assessment of the minimum unrestricted free reserves level required, based on the assessment of risks, is between £400k to £500k. Although the level of unrestricted reserves at 31 December 2022 was below the minimum requirement, the Trustees are working with management to build reserves to the required level over the next 2 years.

Risk management

We have a risk management process to enable our Trustees and management to assess the risks facing the organisation and to devise and implement strategies and controls to mitigate or address these risks.

We maintain a comprehensive risk register. Our risk register is reviewed regularly by our Chair and senior management team and annually by the Trustees.

The areas considered by our Board to be high risk, and our strategy for meeting them, are outlined below:

Unrestricted funding targets not being met

- We have a clear fundraising proposition centred around our mission to reimagine government so that it works for everyone through sensemaking and action-learning activities
- We have regular conversations with existing and prospective funders
- We use our networks to raise CPIE's profile with potential funders

Disengagement as CPIE transitions to remote first

- We have put in place policies and procedures to support flexible working for our staff
- We have three 'in person' away days to reflect on learning goals and discuss CPIE's strategic direction
- We provide staff with the right tools and equipment to stay connected with each other and thrive professionally

Not demonstrating an arm's length relationship with Boston Consulting Group (BCG)

- Contracts are put in place when collaborating with BCG on programmatic activities
- Trustees not connected to BCG are consulted when we partner with BCG

Disclosure of Information to the Auditor

So far as each person who was a Trustee at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is not aware. Having made enquiries of fellow Trustees and the auditor, each Trustee has taken all the steps that he/she is obliged to take as a Trustee in order to make himself/herself aware of relevant audit information and to establish that the auditor is aware of that information.

Structure, governance and management

Governing document

The Centre for Public Impact UK was incorporated on 31 January 2020 as a private company limited by guarantee, with no share capital. It is a registered charity with registered charity number 1193597 since 18 February 2021.

On 23 August 2022, the Centre for Public Impact UK changed its name to Centre for Public Impact Europe ("CPIE" or the "Charity") to reflect its increasing diversification of activities across Europe.

The objects of the Charity are for the benefit of the public to advance such exclusively charitable purposes as the Trustees may decide from time to time.

The Charity is governed by a Board of Trustees, who are also the directors of CPIE. Trustees set the strategic and policy direction, with day-to-day management functions being the leadership team's responsibility.

Trustees who served during the year and up to the date of approval of the financial statements were:

Mr L Kamener (Chair)
Mr E R Rhys Jones (Company Secretary)
Mrs R G Kennedy
Prof P 't Hart

Centre for Public Impact Europe
Trustees' Report – continued
For the Year Ended 31 December 2022

The leadership team during the year were:

Mr A Brown	Interim CPIE Director (from 1/1/2022 to 7/6/2022)
Miss K Rose	CPIE Director (from 7/6/2022)
Mrs R Harrison	Corporate Services Director
Ms H Hunter	Co-Programme Director of Scotland (from 18/9/2022)
Ms K Lawson	Co-Programme Director of Scotland (from 18/9/2022)

Related Parties

The Charity's sole member ("the Member") is the Centre for Public Impact, an independent not-for-profit foundation within the meaning of Articles 80 et seq of the Swiss Civil Code registered on the Swiss Federal Interior Department's Register of Foundations and at the Geneva Register of Commerce (IDE: CHE-172.995.978) based in Geneva, Switzerland (CPI CH). CPI CH has the power to appoint CPIE Trustees and provides operational and financial support to CPIE through an annually renewed agreement.

Recruitment and appointment of Trustees

Persons may be appointed to be a Trustee by ordinary resolution or by written notice from the Member to the Charity specifying the name of the person to be appointed as a Trustee and the date of their appointment.

Trustees are appointed for three years and may be re-appointed for a further term or terms to a maximum of nine years' service.

The minimum number of Trustees is three, and there is no maximum number of Trustees who may be appointed.

The recruitment of new Trustees follows an evaluation of the desired skills and experience of the Board, aligned with the Charity's evolving strategy.

On joining CPIE's Board, new Trustees receive a welcome pack with key documents and an induction programme which covers the Charity's values and purpose as well as information on the financial, governance and operational arrangements for the Charity. In addition, trustees receive insights into the Charity's work at its meetings and regular staff and leadership team briefings.

The Board meets three times per year, with occasional additional meetings as needed. The Trustee role is unremunerated, but Trustees can claim expenses where relevant.

Remuneration policy

During the year, the organisation completed an extensive pay review to ensure that its staff remuneration structure was appropriate and in line with its values and commitment to equity. This review used benchmarked salary data from specialist Korn Ferry to create salary bands where the ratio between the top and bottom of the pay scale is capped at 4:1 (inclusive of the Regional Director). The remuneration of all employees, including key management personnel, is mapped against these salary bands based on an experience indicator. The Board approves and oversees the methodology applied.

Key management personnel

The Trustees have delegated authority to the Director of CPIE for the day-to-day management of the Charity. CPIE's leadership team during the year comprised the Director of Europe and two Co-Directors of Programmes in Scotland. Additional support is provided by CPI CH through financial and operational support from its Executive Director, Global Director of Communications, Global Director of Corporate Services and Global Director of People and Culture (from February 2022).

Adrian Brown, Executive Director for CPI CH, was Acting Director of CPIE from January 2022. An internal recruitment campaign for a new Director of CPIE was completed in June 2022 with the appointment of Katie Rose (formerly the Director of Programmes). In September, the CPIE leadership team was strengthened by the appointment of Harriet Hunter and Karen Lawson as Co-Directors of Programmes in Scotland.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with 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).

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 Charity and of the incoming resources and application of resources, including income and expenditure for that period.

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

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State where applicable that UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue operations.


The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

HW Fisher LLP have been reappointed as the Charity's Auditors during the period.

In preparing this Trustees' report, advantage has been taken of the small companies' exemption. In addition, the option not to produce a strategic report has been taken.

The Directors' and Trustees Report on pages 1-9 was signed on behalf of the Directors and Trustees by:



Larry Kamener (Chair)

27 Sep 2023

Opinion

We have audited the financial statements of Centre for Public Impact Europe (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 incoming resources and application of resources including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared 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 directors' report included within the trustees' report have 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011, Companies Act 2006.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted and restricted funds.
- Obtaining third-party confirmation of material bank balances.
- Documenting and verifying all significant related party transactions.
- Reviewing documentation such as the charity board minutes, for discussions of irregularities including fraud.
- Performing a physical verification of key asset items.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 auditors' 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.

Carol Rudge
Carol Rudge (Senior Statutory Auditor)
for and on behalf of HW Fisher LLP

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

27 Sep 2023
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Centre for Public Impact Europe
Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the Year Ended 31 December 2022

				Year Ended 31.12.22 Total	Year Ended 31.12.21 Total
		Unrestricted	Restricted		
INCOMING RESOURCES	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	2	938,259	-	938,259	248,199
Charitable Activities	3	<u>1,004,965</u>	<u>53,800</u>	<u>1,058,765</u>	<u>253,418</u>
Total		<u>1,943,224</u>	<u>53,800</u>	<u>1,997,024</u>	<u>501,617</u>
RESOURCES EXPENDED					
Expenditure on:					
Raising funds		10,849	4,653	15,502	1,120
Charitable activities	4	<u>1,776,065</u>	<u>27,386</u>	<u>1,803,451</u>	<u>460,742</u>
Total		<u>1,786,914</u>	<u>32,039</u>	<u>1,818,953</u>	<u>461,862</u>
NET MOVEMENT IN FUNDS	6	156,310	21,761	178,071	39,755
RECONCILIATION OF FUNDS					
Funds brought forward		<u>39,755</u>	<u>-</u>	<u>39,755</u>	<u>-</u>
Funds carried forward		<u>196,065</u>	<u>21,761</u>	<u>217,826</u>	<u>39,755</u>


Centre for Public Impact Europe
Balance Sheet
At 31 December 2022

		2022	2021
	Note	£	£
FIXED ASSETS			
Tangible Assets	9	39,792	15,729
CURRENT ASSETS			
Debtors	10	901,110	251,186
Cash at bank and in hand		<u>1,055,001</u>	<u>132,780</u>
		1,956,111	383,966
CREDITORS			
Amounts falling due within one year	11	(1,778,077)	(359,940)
NET CURRENT ASSETS		<u>178,034</u>	<u>24,026</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>217,826</u>	<u>39,755</u>
NET ASSETS		<u>217,826</u>	<u>39,755</u>
FUNDS			
Restricted funds	13	21,761	-
Unrestricted funds	13	<u>196,065</u>	<u>39,755</u>
Total funds		<u>217,826</u>	<u>39,755</u>

Registered Number: 12436197

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees and authorised for issue on 27 Sep 2023 and were signed on its behalf by:



Larry Kamener (Chair)

Centre for Public Impact Europe
Statement of Cashflows
For the Year Ended 31 December 2022

		2022	2021
		£	£
Cashflows from operating activities			
Operating surplus for the financial year	178,071	39,755	
Adjustment for:			
Depreciation charges	6,933	341	
Increase in debtors	(649,924)	(251,186)	
Increase in creditors	<u>1,218,137</u>	<u>359,940</u>	
Net cash from operating activities		753,217	148,850
 Cashflows from investing activities			
Purchase of tangible fixed assets	<u>(30,996)</u>	<u>(16,070)</u>	
Net cash expended on investing activities		(30,996)	(16,070)
 Cashflows from financing activities			
Proceeds from loan	<u>200,000</u>	<u>-</u>	
Net cash from financing activities		<u>200,000</u>	<u>-</u>
 Net increase in cash and cash equivalents		922,221	132,780
 Cash and cash equivalents at the beginning of the year		<u>132,780</u>	<u>-</u>
Cash and cash equivalents at the end of the year		<u>1,055,001</u>	<u>132,780</u>

Analysis of changes in net cash	01/01/2022	Cashflows	31/12/2022
Cash at bank and in hand	132,780	922,221	1,055,001
Intercompany loan	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>
Net cash	<u>132,780</u>	<u>722,221</u>	<u>855,001</u>

1. ACCOUNTING POLICIES

Charity information

Centre for Public Impact Europe is a charitable company limited by guarantee, incorporated in England and Wales. The company's registered office address is 30 Stanford Street, 4th Floor, Vivo Building, London SE1 9LQ.

1.1. Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2. Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income relating to funded projects is recognised in accordance with the stages of work completed and to the extent that the amounts can be measured reliably, and it is probable that income will be received.

Income relating to recharged expenses is recognised in line with the recognition of the related expenses to the extent that the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount.

Where payments are received in advance, any unrecognised amounts are held as deferred revenue until such time as it can be recognised.

1.3. Resources expended

Expenditure is recognised in the period in which it is incurred.

Costs of raising funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Costs of charitable activities comprise all expenditure identified as wholly or mainly attributable to achieving the objectives of the charity. These costs include staff costs, other costs wholly or mainly attributable to charitable activities, and an apportionment of governance and support costs.

Where relevant, expenditure is allocated to a charitable activity on a percentage basis. The percentage allocated to an activity is derived from its use of the charity's direct resources during the year.

1.4. Taxation

The charity is exempt from corporation tax on its charitable activities.

1.5. Going concern

Trustees continue to consider that the Charity is a going concern and able to meet its debts as they fall due, based on the income targets in FY23-24 which are considered to be achievable, no long-term liabilities and support from its sole member CPI CH, who are willing to act as a funder of last resort in the event of financial uncertainty.

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6. Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences arising on monetary items are detailed as support costs under expenditure on charitable activities on the Statement of Financial Activities.

1.7. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office Equipment	33% Straight Line
Computer Equipment	25% Straight Line

1.8. Charitable funds

Restricted funds comprise all restricted funds received and include grants which must be applied for specific purposes.

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

1.9. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.10. Financial instruments

The Charity has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.11. Value Added Tax

Value Added Tax is recoverable by the charity and as such, the recoverable amount is included in the Statement of Financial Position as a debtor.

1.12. Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no critical accounting estimates and judgements for the year ended 31 December 2022.

1.13. Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS & LEGACIES

	Year Ended 31.12.22 £	Year Ended 31.12.21 £
Donations	8,711	93,895
Donations from parent	<u>929,548</u>	<u>154,304</u>
	<u>938,259</u>	<u>248,199</u>

Included in Donations is £nil (2021: £21,420) of gifts in kind provided to CPIE by CPI CH. These amounts consist of £nil (2021: £13,770) in rent and £nil (2021: £7,650) in IT costs.

Included in Donations is £8,711 (2021: £nil) of gifts in kind provided to CPIE by the Boston Consulting Group. These amounts consist of £8,711 (2021: £nil) in project expenses.

3. CHARITABLE ACTIVITIES

	Year Ended 31.12.22			Year Ended 31.12.21		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Government innovation and digital transformation	420,383	-	420,383	173,372	-	173,372
Exploring a different approach to public management	281,234	53,800	335,034	2,000	-	2,000
Building leadership mindsets and learning networks	104,083	-	104,083	66,979	-	66,979
Advancing climate action	107,965	-	107,965	-	-	-
Strengthening relationships between government and communities	<u>91,300</u>	<u>-</u>	<u>91,300</u>	<u>11,067</u>	<u>-</u>	<u>11,067</u>
	<u>1,004,965</u>	<u>53,800</u>	<u>1,058,765</u>	<u>253,418</u>	<u>-</u>	<u>253,418</u>

4. DIRECT COSTS OF CHARITABLE ACTIVITIES

	Year Ended 31.12.22			Year Ended 31.12.21		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Support to other CPI entities	185,101	-	185,101	129,286	-	129,286
Subcontracted consultants	8,558	-	8,558	119,382	-	119,382
Wages & salaries	1,074,675	27,386	1,102,061	-	-	-
Recharged third party/external staff costs	278,332	-	278,332	157,012	-	157,012
Project costs	50,580	-	50,580	-	-	-
Rent	30,713	-	30,713	13,770	-	13,770
Benefits	49,047	-	49,047	8,521	-	8,521
HR and setup costs	2,559	-	2,559	3,763	-	3,763
Website hosting and maintenance	2,376	-	2,376	1,048	-	1,048
Travel	2,593	-	2,593	1,090	-	1,090
IT costs	-	-	-	11,068	-	11,068
Event cost	-	-	-	633	-	633
Support costs (note 5)	<u>91,531</u>	<u>-</u>	<u>91,531</u>	<u>15,169</u>	<u>-</u>	<u>15,169</u>
	<u>1,776,065</u>	<u>27,386</u>	<u>1,803,451</u>	<u>460,742</u>	<u>-</u>	<u>460,742</u>

5. SUPPORT COSTS

	Year Ended 31.12.22 £	Year Ended 31.12.21 £
Other	45,222	813
Governance	<u>46,309</u>	<u>14,356</u>
Total	<u>91,531</u>	<u>15,169</u>

Centre for Public Impact Europe
Notes to the Financial Statements – continued
For the Year Ended 31 December 2022

	Year Ended 31.12.22	Year Ended 31.12.21
Other costs	£	£
Insurance	6,944	298
Office costs	308	-
Postage	21	26
Subscriptions	128	-
Interest	667	-
Professional development	7,764	-
Telephone & internet	680	64
Depreciation of computer equipment	6,923	341
Depreciation of office equipment	10	-
Foreign currency exchange losses on receivables	21,777	84
	<u>45,222</u>	<u>813</u>

Governance costs	Year Ended 31.12.22	Year Ended 31.12.21
	£	£
Audit	22,712	12,000
Legal	8,141	-
Bookkeeping	15,456	2,356
	<u>46,309</u>	<u>14,356</u>

6. NET INCOMING/(OUTGOING) RESOURCES

	Year Ended 31.12.22	Year Ended 31.12.21
Net incoming/(outgoing) resources is stated after charging/(crediting):	£	£
Auditors' remuneration	22,712	12,000
Depreciation of computer equipment	6,923	341
Depreciation of office equipment	10	-
Foreign Currency exchange losses	21,777	84

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the period ended 31 December 2021.

8. STAFF COSTS

	Year Ended 31.12.22	Year Ended 31.12.21
	£	£
Wages & salaries	908,748	-
Social security costs	110,609	-
Pension costs (defined contribution scheme)	82,704	-
Total staff costs	<u>1,102,061</u>	<u>-</u>

During the year, total costs of £61,094 (2021: £261,053) were recognised in respect of staff employed by Boston Consulting Group charged on to Centre for Public Impact Europe. Of these costs, £nil (2021: £104,041) has been recognised as support costs for other CPI Entities. All staff employment contracts were transferred to Centre for Public Impact Europe on 1 January 2022.

Centre for Public Impact Europe
Notes to the Financial Statements – continued
For the Year Ended 31 December 2022

The number of employees whose employee benefits (excluding employer pension costs) exceed £60,000 was:

Band	Year Ended 31.12.22	Year Ended 31.12.21
£60,000 to £69,999	2	-
£70,000 to £79,999	2	-
£80,000 to £89,999	2	-
£90,000 to £99,999	1	-
£100,000 to £109,999	1	-
£110,000 to £119,999	1	-
£120,000 to £129,999	1	-

The total amount paid to key management personnel (includes trustees and senior management) for their services to the charity was:

Year Ended 31.12.22	Year Ended 31.12.21
£	£
293,376	-

The average monthly number of staff employed by Centre for Public Impact Europe during the year was 14 (2021: nil).

9. TANGIBLE FIXED ASSETS

	Office Equipment	Computer Equipment	Total
Cost	£	£	£
As at 1 January 2022	-	16,070	16,070
Additions	<u>244</u>	<u>30,752</u>	<u>30,996</u>
As at 31 December 2022	<u><u>244</u></u>	<u><u>46,822</u></u>	<u><u>47,066</u></u>
Depreciation			
As at 1 January 2022	-	341	341
Provided during year	<u>10</u>	<u>6,923</u>	<u>6,933</u>
As at 31 December 2022	<u><u>10</u></u>	<u><u>7,264</u></u>	<u><u>7,274</u></u>
Net Book Value			
As at 31 December 2022	<u><u>234</u></u>	<u><u>39,558</u></u>	<u><u>39,792</u></u>
As at 1 January 2022	<u><u>-</u></u>	<u><u>15,729</u></u>	<u><u>15,729</u></u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year Ended 31.12.22	Year Ended 31.12.21
	£	£
Trade debtors	846,825	149,446
VAT	13,679	81,750
Accrued revenue	24,232	19,570
Prepayments	<u>16,374</u>	<u>420</u>
	<u><u>901,110</u></u>	<u><u>251,186</u></u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year Ended 31.12.22 £	Year Ended 31.12.21 £
Trade creditors	58,965	217,325
Deferred revenue (note 12)	1,403,183	100,957
Accrued expenses	26,233	41,658
Other taxes and social security	77,629	-
Amounts due to parent	200,000	-
Other creditors	12,067	-
	<u>1,778,077</u>	<u>359,940</u>

As at the year end, £200,000 is owed to CPI CH. This loan is non-interest bearing, unsecured and repayable on demand.

12. DEFERRED REVENUE

	Year Ended 31.12.22 £	Year Ended 31.12.21 £
Balance brought forward	100,957	-
Payments received	1,472,892	162,875
Income recognised against contracts	<u>(170,666)</u>	<u>(61,918)</u>
Balance carried forward	<u>1,403,183</u>	<u>100,957</u>

As per note 1.2, income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. Income relating to funded projects is recognised in accordance with the stages of work completed and to the extent that the amounts can be measured reliably, and it is probable that income will be received. Where payments are received in advance, any unrecognised amounts are held as deferred revenue until such time as it can be recognised.

13. CHARITY FUNDS

Fund name	Balance at 01.01.22 £	Income £	Expenditure £	Balance at 31.12.22 £
Restricted funds	-	53,800	32,039	21,761

The specific purposes for which the funds are to be applied are as follows:

Restricted funds comprise grants received for the purpose of running the HLS Collaborative. The purpose of this is to explore a different approach to public management. The restricted funds of £21,761 are held in cash at bank and in hand.

14. RELATED PARTY DISCLOSURES

During the year, a total of £929,548 (2021: £154,304) of costs were recharged to Centre for Public Impact, the independent not-for-profit foundation identified in the Trustees' Report.

As at the year end and included in Creditors is £200,000 (2021: £nil) owed to Centre for Public Impact. This loan is unsecured, non-interest bearing and repayable on demand.

During the year, a total of £61,094 (2021: £269,574) was charged to the Centre for Public Impact Europe in staff and benefits costs by the Boston Consulting Group.

15. CHANGE OF NAME

On 23 August 2022 the name of the organisation was formally changed from ‘Centre for Public Impact UK Limited’ to ‘Centre for Public Impact Europe’.

16. PARENT ENTITY

The Parent entity of Centre for Public Impact Europe is Centre for Public Impact (Registered office: 10 Rue de Rive, Geneva 1204, Switzerland), an independent not-for-profit foundation within the meaning of Articles 80 et seq of the Swiss Civil Code registered on the Swiss Federal Interior Department’s Register of Foundations and at the Geneva Register of Commerce (IDE: CHE-172.995.978) based in Geneva, Switzerland (CPI CH). The consolidated accounts can be found at 10 Rue de Rive, Geneva 1204, Switzerland.