

Company number: 08364475

Charity number: 1155570

Social Innovation Exchange

Report and financial statements

For the year ended 31 December 2017

Social Innovation Exchange

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Reference and administrative information

For the year ended 31 December 2017

Company number 08364475

Charity number 1155570

**Registered office
and operational
address** 32 Cubitt Street
LONDON
WC2R 1LA
UK

**Executive Board
members** Executive Board members, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Marcello Palazzi Chair
Harvey Koh
Geoff Mulgan
Ada Wong
Carolyn Curtis
Tim Draimin
Gotzon Bernaola
Jonathan Huggett
Martin Cosarinsky

Principal staff Louise Pulford
Jordan Junge
So Jung Rim

Bankers Cooperative Bank
80 Cornhill
LONDON
EC3V 3NJ

Solicitors Bates Wells and Braithwaite
Scandinavian House
2-6 Cannon St
LONDON
EC4M 6YH

**Independent
examiners** Sayer Vincent LLP
Chartered Accountants
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

Social Innovation Exchange

Report of the Executive Board

For the year ended 31 December 2017

The Executive Board present their report and the audited financial statements for the year ended 31 December 2017.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 17 January 2013 and registered as a charity on 30 January 2014.

The company was established under a memorandum of association, which established the objects and powers of the charitable company and is governed under its articles of association.

All Executive Board members give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts.

Executive Board

The Executive Board has the power to make decisions that will govern SIX. The responsibilities of the Executive Board are as follows:

- Approve strategy, operating plans and budgets and have overall responsibility of executive functions as the Board of Directors of the company
- Appoint the Director of SIX
- Determine day-to-day governance, particularly financial management;
- Support fundraising for core costs and programs e.g. regional events, appropriate links to other programmes;
- Set norms and rules for SIX, e.g. around the use of the brand.
- Meet 3 –4 times a year (1 of these times will be held during the annual SIX event). Some meetings can be held via Skype (or equivalent), but at least two meetings need to be in person.
- All Executive Board members give their time voluntarily and receive no benefits from the charity.

Global Council

In addition to the Executive Board, SIX has an advisory group – the ‘Global Council’. The Global Council act as representatives and a hub for SIX around the world. It now includes both social innovation agencies who have been closely involved in SIX for many years, as well as organisations around the world who are new to the field of social innovation, but who are leading the effort in

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Report of the Executive Board

For the year ended 31 December 2017

their field. At the end of 2017, the Global Council had 14 member organisations. The role of the SIX Global Councils is to:

- Make recommendation on strategy in their area of social innovation expertise;
- Inspire others to get involved in different countries and sectors;
- Provide foresight knowledge on the key issues for the future of social innovation globally;
- Meet in person once a year at the SIX annual summer school to provide the support and guidance SIX needs to be effective, and meet in small working groups in between times;
- Support SIX financially through an annual financial contribution;
- Guide and influence the development of SIX through 3 representatives on the Executive Board.

Over 2017, we had more expressions of interest to be part of the Global Council. Over the next year, we plan to review the role of the Global Council, to ensure we continue to grow the social innovation field.

Appointment of Executive Board members and related parties and relationships with other organisations

Between four and eight Trustees can be appointed by the Trustees. The Global Council can nominate up to three people after discussing the skills required with the Executive Board. The Young Foundation had the right to appoint a member, which has now lapsed. We recruited one new Board member this year. If a new member is required they will be recruited via a global head hunt following a Board review and skills audit of the existing Board.

Trustee induction and training

When a new member is appointed they are given an induction pack consisting of the memorandum and articles of association, the latest accounts, the business plan and the risk register. An induction programme is tailored to the skills and experience of the new member. Most new members are already familiar with the work of SIX.

Remuneration policy for key management personnel

The Director's salary is set by the Board after an annual review of salary.

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Report of the Executive Board

For the year ended 31 December 2017

Objectives and activities

Purposes and aims

SIX is a tight global network that connects people tackling complex social challenges to one another. SIX enables 'social innovators' to exchange ideas, resources, and inspiration, and to feel connected and supported by each other.

SIX provides a global platform for the practice and development of social innovation. SIX creates dynamic online and offline events, programs and resources for people to be inspired, connected, supported, more informed and more effective in their work addressing social need.

SIX Vision

SIX has a vision of a world where social innovators can easily exchange and share:

- Ideas that work, across sectors and geographies
- Talent, capabilities, skills
- Access to power
- Money, capital and resources
- Social innovators are inspired, connected and supported

Our mission is to help established social innovators to become better innovators by connecting peers, sharing methods and exchanging solutions globally.

We have been reviewing our vision during 2017. As the field of social innovation develops, we see an additional need for SIX. We have been conducting a strategy review to include more in our mission, specifically – building ecosystems, changing mind-sets, shifting cultures and driving social innovation. Whilst this work is ongoing, our unique advantages remain:

- The quality and scope of the network
- The environments we create – At SIX, you can have the conversation you can't have anywhere else
- The extensive social innovation resources we provide
- The social innovation knowledge we hold in the team
- Our ability to work across countries and cultures

Values and principles – our values and principles influence the way we work. They are:

- We celebrate solutions (more than heroes)
- We engage (more than just inform)

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Report of the Executive Board

For the year ended 31 December 2017

- We connect as peers (not in a hierarchy)
- We inspire through action (not just words)
- We prize interdisciplinary and collaboration (not silos and 'experts')
- We are inclusive (and welcome the unexpected)

Objectives and activities

SIX is increasingly useful to more people than just 'established social innovators', so whilst we have continued to execute the strategy outlined in the initial business plan, we have further developed each of the four key areas of work, deepening and expanding the markets we work with to respond to this changing demand:

1. **Build a tight network:** We help members network easily by connecting and inspiring innovators through global, regional and thematic events, online resources, and learning and training programmes with SIX partner organisations. This strand of work has developed into building tight networks around big pillars of society. For example, we have built a network of global foundations who are interested in funding social innovation to help them learn and exchange, in order to increase the flow of finance into social innovation.
2. **Grow and spread globally:** We focus our efforts to grow globally by providing leadership to the social innovation field through our active event series, specifically through our new landmark Wayfinder and Unusual Suspects events, and by supporting others to develop regional social innovation ecosystems.
3. **Develop and share resources, knowledge and learning:** SIX shares knowledge openly through debate and discussion, videos, and online content and publications, SIX will build an accessible bank of social innovation resource. This strand of work has developed into more active capacity building through providing trainings, not only sharing resources.
4. **Grow the SIX organization:** We should build the team and capacity through the wider network, build the Global Council and develop a broad based business model to ensure the organisation is sustainable. To achieve this, we must focus on optimizing our internal systems.

Below is a list of the corresponding activities attached to these goals for the period 2016–2017. Each built on the activities of the previous year, deepening our connections through existing programmes of work like the Funders Node, and expanding our reach through new programmes of work like the Wayfinder and our capacity building programmes. Each activity is mutually reinforcing.

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Report of the Executive Board

For the year ended 31 December 2017

In particular, the Board agreed we would focus on the following priorities in 2016 – 2017:

1. Build a tight core network

- Build the funders node to focus on new topic areas, bring in new organisations and expand globally – SIX should use the Wasan Island retreat centre in Canada strategically to achieve these aims.
- SIX should also explore the development of other leaders networks, focussed around sectors who are increasingly interested in social innovation, for example corporates and universities.

2. Develop SIX globally

- The Board agreed SIX should no longer host the Summer School events. After nine Summer Schools in nine different countries, SIX could develop the concept into something more future focussed. And so, the Wayfinder concept was developed. The first two-day Wayfinder event should be held in London to celebrate the last 10 years of social innovation, and to develop a road map for the next 10 years.

3. Develop and share learning, resources and knowledge

- The Board agreed SIX should focus on synthesising and curating content. SIX should redevelop the website to better suit the needs of the network, making the vast number of resources we have more easy to access. SIX should also develop new ways to reach new audiences through content partnerships with other organisations, and build on our current communication strategy and embed better communication in all events and activities by producing more products and insights pieces after events and activities.
- It was also agreed the SIX should provide more practical trainings to help build skills in social innovators. This is also a good business model for SIX.

4. Build the SIX organisation

- Retain, develop and grow the SIX team to ensure we have five FTEs, including an EU project manager and some finance support, funded through 2017
- Grow the Global Council, and establish concrete activity; conduct current member/network analysis to ensure we are running the right activities and bring in 2 – 4 more members; grow revenue from large funders for the funders node work.
- SIX should work to become financially and operationally sustainable, with a particular focus on developing better internal systems and outsourcing less work..

Public benefit focus on ensuring that our activities achieve our charitable aims

The Executive Board review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Executive Board report the success of each key activity and the benefits the charity has brought to

Social Innovation Exchange

Report of the Executive Board

For the year ended 31 December 2017

those groups of people that it is set up to help. The review also helps the Executive Board ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The Executive Board have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Executive Board consider how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance in the delivery of public benefit

The charity's main activities and who it tries to help are described below. All its charitable activities focus on advancing the knowledge, practice and field of social innovation and are undertaken to further Social Innovation Exchange's charitable purposes for the public benefit.

All of the activities below develop and produce resources which are posted on SIX website and communicated with members in the UK, and around the world, via social media for benefit of the general public.

Specific activities

During 2017, we hosted several activities, as identified in the strategy at the beginning of the year, as well as taking advantage of any new opportunities that arose:

Building a tight core network: SIX is growing its core network, by developing focussed networks for groups of actors in specific sectors or regions.

- The SIX Funders node is the most well developed leaders network – SIX curates networks through designing and hosting a unique combination of activities of different sizes and shapes. Retreats are one of the key activities in the Funders Node. In August 2017, we hosted a retreat again on Wasan Island in Canada with the support of the Robert Bosch Stiftung on the topic, Aligning for Impact. The retreat focused on the changing role of foundations, why foundations need to align and how they could do that. Together we developed a set of frameworks and aids for action to help foundations align around topics or countries. 18 foundations attended the retreat from 6 countries.
- In terms of supporting regional ecosystems, the Social Innovation Community (SIC) project is in its second of three years. By connecting existing social innovation networks across Europe, SIC connects, strengthens and grows social innovation activity in Europe, to help improve our collective capacity to address some of the greatest challenges we face today. SIC is a Horizon 2020 Programme funded project, and run by a consortium of 12 leading organisations across Europe. SIX plays a leading role in holding the consortium together, and encouraging learning and sharing across the European partners. Our focus of the year

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Report of the Executive Board

For the year ended 31 December 2017

has been communicating the insights produced during the activities of the consortium; designing learning relays to encourage more active learning between organisations across Europe; and working with EU policy makers to improve social innovation policy.

Grow and spread globally – SIX contributed to more than 20 different events across the world, either through hosting small workshops, Chairing panels, or as speakers. We also hosted 2 of our own landmark events:

- Wayfinder [The SIX Wayfinder](#) was convened by SIX, hosted by Nesta and supported by the UNDP, Social Innovation Generation (SiG) National, The Australian Centre for Social Innovation (TACSI), and the JW McConnell Family Foundation. 160 leaders from over 34 countries attended the SIX Wayfinder from diverse backgrounds, both private and public, including government, design, international development, entrepreneurship and more.

The Wayfinder was about looking back to look forward, asking attendees: What is the state of social innovation and its current global context? How do we become more than the sum of our parts? What should we, as a community, aim to achieve by 2027? Several insights we developed as a result of the event and they are all hosted on the SIX Wayfinder website.

- The Unusual Suspects Festival is designed around a city and collaborations with up to 30 local organisations. It is a three-day festival of ideas, solutions and debate, exploring what happens when social innovation meets collaboration and how together we can meet some of society's most pressing challenges. We hosted the first Unusual Suspects festival in London in 2014 with the Calouste Gulbenkian Foundation UK branch and Collaborate. Since then, the Unusual Suspects has been hosted in Glasgow, Scotland, Belfast and Derry-Londonderry in Northern Ireland, with between 500 – 1500 people attending the festival annually.

In 2017, we bought the festival back to London. There is a palpable sense of frustration and powerlessness within the city, and it is something that arguably unites all Londoners. The festival provided an opportunity to debate, question and ultimately shift systems and dynamics of power within the capital. With 20+ sessions and 30+ partners (ranging from the GLA, to Alternative UK, to Poet in the City, to The Calthorpe Project, to Seoul Metropolitan Government, The Webb Memorial Trust), both local and international, the festival offered a wealth and variety of experiences, perspectives and new collaborations that will aim to tackle some of the city's most pressing challenges. The key themes were: community, power, belonging, empathy and collaboration.

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Developing resources and knowledge: Sharing knowledge actively was a key strategic focus area in 2017. Three types of activity supported this goal:

- Developing our capacity building and training offering through several training programmes for a variety of audiences:
 - Social innovation studios in universities across Latin America: As part of the EU funded LASIN programme, we deliver four two-day workshops in four Latin American countries – Brazil, Chile, Colombia and Panama. Each workshop was hosted in partnership with a local university partner, and introduced social innovation skills and case studies to students, community NGOs, lecturers and other local social innovation practitioners.
 - Brazil workshops: A one-day session on systems change and social innovation training for 25 foundations in Brazil.
 - The Camp: Ran a 2 day social innovation introduction training for French companies at the Camp training center based in France
 - Wasan island retreat on networks in Canada – SIX was hired to design and facilitate a retreat on global network learning and sharing on Wasan island for 25 global network leaders and academics from around the world.

- More focus on developing and sharing insights and learning:
 - Following the Wayfinder event, we developed several insights including a new infographic, and blogs, think pieces, short films and poems from high level participants. These resources are available on the Wayfinder website which still has a significant viewing traffic.
 - Through SIC, we have developed several resources including a Learning portal for of practical tools and case studies; a policy portal with the most up to date European policy resources and 2 x learning communities each with 20 people through the SIX learning relays.

- Online presence:
 - New SIX website – SIX communicates more clearly now through a new, better organized and more user friendly website containing content in a variety of different types. This enables use to reach and support more people in their innovation efforts.
 - A regular social innovation newsletter – We communicate with our community of 15,000 through a bi-weekly newsletter, which gives up to date global social innovation news of events, the latest articles and events.
 - Communication partnerships – SIX now has 10 content partnerships with other sector specialist organisations, helping to get SIX content spread more widely.

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Report of the Executive Board

For the year ended 31 December 2017

Building the SIX organisation:

- SIX is now stronger with a new team with clear roles including a full time EU Project Manager, and a part time Finance Manager. SIX is also part of the On Purpose programme and has an On Purpose Associate as part of the team
- During 2017, we have undergone a strategy review process, led by the On Purpose Associate and with the support of a pro-bono external consultant. SIX is reviewing and developing its mission to be up to date with the new projects and partners.
- During 2017, the focus was also on raising funds for new projects, including the Funders node which we want to grow further in 2018 in order to support more funders to be more innovative. A second Wayfinder was also confirmed to be held in Turkey in 2018, and planning begun in Autumn.
- Growing Global Council – only one new organisation joined the Council in 2017. We have reviewed the partnership so we can grow it further in future years.
- Invested in improving systems and financial processes – Reduced overheads by removing external finance costs

Beneficiaries of our services

Because SIX is a network, its members and participants determine its impact. SIX participants and members are, in principle, co-creators of SIX. The main function of SIX is, therefore, to facilitate connections and curate learning between them.

The participants of SIX are leaders or emerging leaders in social innovation, and work in government, non-profits and charities, social enterprises, universities and private companies. Mixing different backgrounds contributes to our quality. Broadly speaking, SIX network is comprised of people who are already engaged in social innovation thinking and/or practice and lead in a specific sector, expertise or geography. They see the value of social innovation and wish to share experiences with their peers and all those interested.

SIX also provides experiences for, and opportunities to engage those who are new to the concept of social innovation, but who are in practice already doing it in the sector, field or geography. This audience is a growing part of SIX's audience. SIX is also interested to learn from people in parallel fields with similar experiences.

For participants and network members, SIX provides access to other leading practitioners, thinkers as well as other networks of social innovators as well as dynamic experiences (SIX events series) where they can quickly access this. For governments and large regional and national institutions, SIX offers practical knowledge, skills, examples and case studies of social innovations as well as open forums to discuss issues and practical problems.

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Report of the Executive Board

For the year ended 31 December 2017

Financial review

The financial results are set out from page 17 onwards. SIX generated £409,935 of income and spent £365,476 on running projects, events and on support and governance costs.

SIX is grateful to its Global Council members for the financial support they have given in 2017. £121,024 (2016 £95,105) and continue to give to fund SIX's ongoing activities. During the year, expenditure on two projects, Common Good First and SEASIN, was in excess of income due to expected funding from the European Commission being received in arrears. At the end of the year, it is virtually certain that the income will be received in the following financial period and so the negative balances carried forward of £8,689 for these restricted funds are due to a timing difference only.

Principal risks and uncertainties

The below highlights key challenges for SIX in the next stage of growth:

- **Developing more products** – how do we build core organisational capacity to ensure we stay in the lead in producing the best content and insights?
- **Staying ahead of the curve** – how do we identify the right challenges for the future to work on? What are the big questions that others are not focussing on or that might be difficult to address?
- **Positioning** – We need to clearly articulating what we are good at and what makes our approach unique in an increasingly crowded market place?
- **Sustainability and funding** – How can we continue to access and influence EU funding when the UK leaves the EU? How do we prepare for 2019 when EC funded SIC finishes?
- **What does financial sustainability look like for SIX?** What is the right business model? How can we build security beyond global council membership?

Reserves policy and going concern

The Trustees have decided that the charity should hold three months running costs in reserves so that it could continue its activities in the event of a drop in funding. The target amount is £75,000 (3 months operating costs). We currently have free reserves of £136,605.

Plans for the future

We will build on the achievements of developing a stronger organisation in 2017, and use 2018 to consolidate our current position, and prepare for our next stage of growth. We will develop SIX as the leading organisation who sets the direction for social innovation globally.

Social Innovation Exchange

Report of the Executive Board

For the year ended 31 December 2017

Our focus will be on Applied Social Innovation. That means all of work will be grounded in practice (rather than theory) we use knowledge and lived experience in all of our work, and we will focus on bringing diverse people together.

Our audience:

- Sectors – our work will focus on Funders/Foundations, Corporates, Universities
- Geography – we will prioritise East Asia, Turkey and the Middle East, Canada and Australia
- Big questions – we will focus our work on social innovation in hostile societies, and the implications of technology and big data on society

Our activities will continue to build on the activities in 2017. Key projects are listed below:

- **Funders node** – Use the data project to position ourselves and bring in new people; deliver a high quality programme of activities (3 retreats, 2 on Wasan island and 1 in Adelaide), developing the model for the future of the funders node (What is the right amount for people to pay?)
- **SIC** – planning for big final event (Seville – February 2019), focus on sustainability of the content developed during the project, work closely with the EC to influence the design of the new framework programme. Use the final year of SIC project strategically to develop the next big project.
- **Wayfinder** – Deliver an excellent event in Istanbul, which solidifies our relationship with Zorlu. Support Zorlu post Wayfinder to develop ecosystem of social innovation in the region. Find a host for the next Wayfinder (La Caixa are interested).
- **Unusual Suspects** – Beyond the festival, what should this programme do in the long term? How do we create a partnership/collaborations that will deepen the knowledge of a place or an issue? How do we continue creating safe spaces for debate/dialogue to happen in the local level?
- **Corporate social innovation** – Deliver a high quality paper for Hong Kong and use this, and our work with Zorlu, to build a bigger programme of work with corporates

Building SIX as an organisation

- Expand our Global Council to help SIX stay global and support more people; focus on bringing more diverse organisations to become part of the Council partnership.
- Improve communication capacity in the team and conclude strategy process through an effective commutations exercise.

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Report of the Executive Board

For the year ended 31 December 2017

- Raise money to grow core team, particularly an editor function and someone to help develop more future projects; win new work and ensure growth
- Grow reserves and continue to improve financial management

Statement of responsibilities of the Executive Board members

The Executive Board members (who are also directors of Social Innovation Exchange for the purposes of company law) are responsible for preparing the report of the Executive Board and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Executive Board members 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 incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Executive Board members are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 in operation

The Executive Board members 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.

The Executive Board members 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2016 was 10 (2015:8). The Executive Board members are members of the charity but this entitles them only to voting rights. The Executive Board members have no beneficial interest in the charity.

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Report of the Executive Board

For the year ended 31 December 2017

Independent Examiner

Jonathan Orchard of Sayer Vincent LLP was re-appointed as the charitable company's independent examiner during the year and has expressed his willingness to continue in that capacity.

The report of the Executive Board has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The report of the Executive Board has been approved by the Executive Board members on 16 May 2018 and signed on their behalf by

Marcello Palazzi
Chair

Independent examiner's report

To the Executive Board of

Social Innovation Exchange

I report to the charity trustees on my examination of the accounts of Social Innovation Exchange for the year ended 31 December 2017.

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity's trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accounts in England and Wales, which is one of the listed bodies.

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

- 1 Accounting records were not kept in respect of the Charitable Company as required by section 386 of the 2006 Act; or
- 2 The accounts do not accord with those records; or
- 3 The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
- 4 The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities

Independent examiner's report

To the Executive Board of

Social Innovation Exchange

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

Signed:

Name: Jonathan Orchard

The Institute of Chartered Accountants in England and Wales

Relevant professional qualification or membership of professional bodies (if any):

Address: Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

Date: 24 May 2018

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Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2017

	Note	Unrestricted £	Restricted £	2017 Total £	Unrestricted £	Restricted £	2016 Total £
Income from:							
Donations and legacies	2	182,162	145,450	327,612	175,375	134,322	309,697
Charitable activities							
Projects	3	53,011	–	53,011	55,000	–	55,000
Events	3	–	–	–	3,992	–	3,992
Other trading activities	4	29,312	–	29,312	–	–	–
Investments	5	–	–	–	952	50	1,002
Total income		264,485	145,450	409,935	235,319	134,372	369,691
Expenditure on:							
Raising funds	6	35,727	–	35,727	37,260	–	37,260
Charitable activities							
Projects events and governance	6	483,889	(154,139)	329,750	122,254	190,848	313,102
Other		–	–	–	–	–	–
Total expenditure		519,616	(154,139)	365,477	159,514	190,848	350,362
Net income / (expenditure) for the year	7	(255,131)	299,589	44,458	75,805	(56,476)	19,329
Transfers between funds		–	–	–	–	–	–
Net income / (expenditure) before other recognised gains and losses		(255,131)	299,589	44,458	75,805	(56,476)	19,329
Net movement in funds		(255,131)	299,589	44,458	75,805	(56,476)	19,329
Reconciliation of funds:							
Total funds brought forward		92,147	–	92,147	16,342	56,476	72,818
Total funds carried forward		(162,984)	299,589	136,605	92,147	–	92,147

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18 to the financial statements.

Social Innovation Exchange

Balance sheet

Company no. 08364475

As at 31 December 2017

	Note	£	2017 £	£	2016 £
Fixed assets:					
Tangible assets	12		<u>2,239</u>		<u>114</u>
			2,239		114
Current assets:					
Debtors	13	164,587		103,933	
Cash at bank and in hand		<u>123,336</u>		<u>110,167</u>	
		287,923		214,100	
Liabilities:					
Creditors: amounts falling due within one year	14	<u>(153,557)</u>		<u>(122,067)</u>	
Net current assets / (liabilities)			<u>134,366</u>		<u>92,033</u>
Total net assets / (liabilities)			<u>136,605</u>		<u>92,147</u>
The funds of the charity:	18				
Restricted income funds in deficit			(8,689)		-
Unrestricted income funds:					
Designated funds		-		-	
General funds		<u>145,294</u>		<u>92,147</u>	
Total unrestricted funds			<u>145,294</u>		<u>92,147</u>
Total charity funds			<u>136,605</u>		<u>92,147</u>

The opinion of the directors is that the company is entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies

The directors acknowledge the following responsibilities:

- (i) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- (ii) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime.

Approved by the trustees on 16 May 2018 and signed on their behalf by

Marcello Palazzi
Chair

Social Innovation Exchange

Statement of cash flows

For the year ended 31 December 2017

	Note	2017	2016
		£	£
Cash flows from operating activities	19		
Net cash provided by / (used in) operating activities		15,653	70,901
Cash flows from investing activities:			
Dividends, interest and rents from investments		-	81
Purchase of fixed assets		(2,484)	-
Net cash provided by / (used in) investing activities		13,169	81
Net cash provided by / (used in) financing activities		-	-
Change in cash and cash equivalents in the year		13,169	70,982
Cash and cash equivalents at the beginning of the year		110,167	39,185
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the year		123,336	110,167

1 Accounting policies

a) Statutory information

Social Innovation Exchange is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address (and principal place of business, if different from the registered office) is 32 Cubitt Street, London, England, WC1X 0LR.

b) Basis of preparation

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) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1 Accounting policies (continued)

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services, and events undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

● Cost of raising funds	5%
● Developing leaders' networks	30%
● Leadership and direction setting	20%
● Capacity building	20%
● Building SIX	15%
● Support costs	7%
● Governance costs	3%

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

● Developing leaders' networks	35%
● Leadership and direction setting	20%
● Capacity building	20%
● Building SIX	25%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1 Accounting policies (continued)

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Computer equipment 3 years

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

o) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

p) Pensions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

Social Innovation Exchange

Notes to the financial statements

For the year ended 31 December 2017

2 Income from donations and legacies

	Unrestricted £	Restricted £	2017 total £	2016 Total £
Gifts and donations	61,138	145,450	206,588	214,592
Global Council	121,024	-	121,024	95,105
	<u>182,162</u>	<u>145,450</u>	<u>327,612</u>	<u>309,697</u>

Income from donations and legacies was £327,612 (2016: £309,697) of which £182,163 (2016: £168,598) was attributable to unrestricted funds and £145,450 (2016: £141,098) was attributable to restricted funds.

3 Income from charitable activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Build a tight network by helping members connect to each other easily	53,011	-	53,011	55,000
Total income from charitable activities	<u>53,011</u>	<u>-</u>	<u>53,011</u>	<u>55,000</u>

Income from charitable activities was £53,011 (2016: £55,000) of which £Nil (2016: Nil) was attributable to restricted funds.

4 Income from other trading activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Summer School	-	-	-	2,032
Other events	29,312	-	29,312	1,960
	<u>29,312</u>	<u>-</u>	<u>29,312</u>	<u>3,992</u>

Income from other trading activities was £29,312 (2016: £3,992) of which £29,312 (2016: £3,992) was attributable to unrestricted funds and £NIL (2016: Nil) was attributable to restricted funds.

5 Income from investments

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Interest – deposit	-	-	-	81
Other	-	-	-	921
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,002</u>

Income from investments was £nil (2016: £1,002) of which £nil (2016: £952) was attributable to unrestricted funds and £nil (2016: £50) was attributable to restricted funds.

Social Innovation Exchange

Notes to the financial statements

For the year ended 31 December 2017

6 Analysis of expenditure

	Charitable activities							2017 Total £	2016 Total £
	Cost of raising funds £	Developing leaders Networks £	Leadership and direction setting £	Capacity building £	Build the SIX organisation £	Governance costs £	Support costs £		
Staff costs (Note 8)	10,623	63,738	42,492	42,492	31,869	6,374	14,871	212,459	179,720
Other HR costs	-	-	-	-	-	-	26,282	26,282	29,484
Professional fees	-	-	-	-	-	9,179	-	9,179	18,122
Event costs	23,094	-	-	-	-	-	-	23,094	26,026
Travel and subsistence	2,010	12,062	8,041	8,041	6,031	1,206	2,814	40,205	26,928
Office costs	-	-	-	-	-	-	32,780	32,780	39,949
IT	-	-	-	-	-	-	18,619	18,619	26,499
Depreciation	-	-	-	-	-	-	359	359	1,084
Accountancy and IE fees	-	-	-	-	-	2,500	-	2,500	2,550
	35,727	75,800	50,533	50,533	37,900	19,259	95,725	365,477	350,362
Support costs	-	33,504	19,145	19,145	23,931	-	(95,725)	-	-
Governance costs	-	6,741	3,852	3,852	4,814	(19,259)	-	-	-
Total expenditure 2017	35,727	116,045	73,530	73,530	66,645	-	-	365,477	-
Total expenditure 2016	-	135,649	93,448	97,446	23,819	-	-	-	350,362

Social Innovation Exchange

Notes to the financial statements

For the year ended 31 December 2017

7 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2017	2016
	£	£
Depreciation	359	1,084
Operating lease rentals:		
Property	21,298	30,739
Independent examiner's remuneration (excluding VAT):		
Independent examination	2,500	2,550
	<u>21,657</u>	<u>34,373</u>

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2017	2016
	£	£
Salaries and wages	188,555	157,828
Social security costs	14,829	12,233
Employer's contribution to defined contribution pension schemes	9,075	9,659
	<u>212,459</u>	<u>179,720</u>

No employee earned more than £60,000 during the year (2016: nil).

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £132,725 (2016: £130,217).

The Executive Board were not paid or received any other benefits from employment with the charity in the year (2016: £nil). No Executive Board received payment for professional or other services supplied to the charity (2016: £nil).

The Executive Board's expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2016: £1,270) incurred by no (2016: one) members relating to attendance at meetings of the trustees.

Social Innovation Exchange

Notes to the financial statements

For the year ended 31 December 2017

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2017 No.	2016 No.
Raising funds	1.5	0.6
Charitable activities	4.0	4.5
Support and governance	1.5	1.9
	<u>7.0</u>	<u>7.0</u>

10 Related party transactions

Andres Cosarinsky a close family member to one of the trustees (Martin Cosarinsky) was paid £350 in relation to consultancy services during the year. The transaction was undertaken at market rates. (2016: none), no balance was remaining to be paid at year end.

11 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12 Tangible fixed assets

	Computer equipment £	Total £
Cost or valuation		
At the start of the year	4,833	4,833
Additions in year	2,484	2,484
	<u>7,317</u>	<u>7,317</u>
At the end of the year		
Depreciation		
At the start of the year	4,719	4,719
Charge for the year	359	359
	<u>5,078</u>	<u>5,078</u>
At the end of the year		
Net book value		
At the end of the year	<u>2,239</u>	<u>2,239</u>
At the start of the year	<u>114</u>	<u>114</u>

All of the above assets are used for charitable purposes.

Social Innovation Exchange

Notes to the financial statements

For the year ended 31 December 2017

13 Debtors

	2017 £	2016 £
Trade debtors	158,712	98,131
Other debtors	73	-
Prepayments	1,000	5,802
Accrued income	4,802	-
	<u>164,587</u>	<u>103,933</u>

14 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	1,336	14,512
Taxation and social security	14,082	3,445
Other creditors	-	1,129
Accruals	9,845	2,499
Deferred income	128,294	100,482
	<u>153,557</u>	<u>122,067</u>

15 Deferred income

Deferred income comprises funding received from the European Commission through AEIDL and Glasgow Caledonian University for Social Innovation Community (SIC) project and LASIN project, respectively, which will be spent in 2018.

	2017 £	2016 £
Balance at the beginning of the year	100,482	-
Amount released to income in the year	(100,482)	-
Amount deferred in the year	128,294	100,482
	<u>128,294</u>	<u>100,482</u>

16 Pension scheme

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £9,075 (2016: £9,659).

Social Innovation Exchange

Notes to the financial statements

For the year ended 31 December 2017

17a) Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	2,239	-	2,239
Investments	123,336	-	123,336
Net current assets	19,718	(8,689)	11,029
Net assets at the end of the year	145,293	(8,689)	136,604

17b) Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	114	-	114
Investments	110,167	-	110,167
Net current assets	(18,134)	-	(18,134)
Net assets at the end of the year	92,147	-	92,147

18 a. Movements in funds (current year)

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
European Commission	-	135,450	(144,139)	-	(8,689)
Six Funders (nodes)	-	10,000	(10,000)	-	-
Total restricted funds	-	145,450	(154,139)	-	(8,689)
Total unrestricted funds	92,147	264,485	211,338	-	145,294
Total funds	92,147	409,935	57,199	-	136,605

Social Innovation Exchange

Notes to the financial statements

For the year ended 31 December 2017

18 b. Movements in funds (prior year)

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
European Commission	-	134,369	(134,369)	-	-
RWJF	56,476	-	(56,476)	-	-
Total restricted funds	56,476	134,369	(190,845)	-	-
Total unrestricted funds	16,342	235,322	(159,517)	-	92,147
Total funds	72,818	369,691	(350,362)	-	92,147

Movement in funds

Purposes of restricted funds

European Commission–Social innovation Europe

To create a social innovation community across Europe.

During the year, expenditure on two projects, Common Good and SEASIN, was in excess of income due to expected funding from the European Commission being received in arrears. At the end of the year, it is virtually certain that the income will be received in the following financial period and so the negative balances carried forward for these restricted funds are due to a timing difference only.

Six Funders (nodes)

A global collective of more than 60 foundations who are willing to share, learn and engage with one another to be more innovative in their approach and practice.

19 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	44,458	19,329
Depreciation charges	359	1,085
(Gains)/losses on investments	-	(81)
(Increase)/decrease in debtors	(60,654)	(63,574)
Increase/(decrease) in creditors	31,490	114,142
Net cash provided by / (used in) operating activities	15,653	70,901

Social Innovation Exchange

Notes to the financial statements

For the year ended 31 December 2017

20 Analysis of cash and cash equivalents

	At 1 January 2017 £	Cash flows £	Other changes £	At 31 December 2017 £
Cash at bank and in hand	110,167	13,169	-	123,336
Total cash and cash equivalents	110,167	13,169	-	123,336

21 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2017 £	2016 £
Less than one year	18,000	18,000
One to five years	-	18,000
	18,000	36,000

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.