

Company number: 08364475

Charity number: 1155570

Social Innovation Exchange

Report and financial statements

For the year ended 31 December 2015

Social Innovation Exchange

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For the year ended 31 December 2015

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Social Innovation Exchange

Reference and administrative information

For the year ended 31 December 2015

Company number 08364475

Charity number 1155570

Registered office and operational address Room 3&4
New Wing, Somerset House, Strand
LONDON
WC2R 1LA

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:

Jonathan Huggett Chair
Geoff Mulgan
Andrew Barnett
Ada Wong
Carolyn Curtis
Tim Draimin
Gotzon Bernaola
Glenys Thorton

Principal staff Louise Pulford
Kine Nordstokka
Jordan Junge
So Jung Rim
Shagana Ehamparam

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 2015

The Executive Board present their report and the audited financial statements for the year ended 31 December 2015.

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 11 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 summer school). 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. Over the last year we have grown the Global Council from 12 members at the end of 2013, to 16 members at the end of 2014. 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 their field. At the end of 2015, the Global Council had

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Report of the Executive Board

For the year ended 31 December 2015

12 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.

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 have not recruited any new Board members 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.

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.

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Report of the Executive Board

For the year ended 31 December 2015

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.

Our unique advantages are:

- The quality and scope of the network
- The way in which we convene and connect people, creating a trusting environment where people can really learn from each other. At SIX, you can have the conversation you can't have anywhere else
- The extensive social innovation resources we provide

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)
- 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

Over the next year, SIX's work will continue to execute the strategy outlined in its initial business plan, focussing on four strands key areas of work.

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
2. **Grow and spread globally:** Through developing nodes of place, theme and function, we can better support social innovation all over the world

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Report of the Executive Board

For the year ended 31 December 2015

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. SIX will also perform global scans of best practice in specific areas.
4. Grow the SIX organization: Innovators should own and fund SIX. 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.

Below is a list of the corresponding activities attached to these goals for the period 2014–2015. They built on the activities of the previous year, maintaining continuity through activities like the annual summer school, but also expanding our reach through new programmes of work in new regions. Each activity will be mutually reinforcing.

In particular, the Board agreed we would focus on the following priorities in 2014 – 2015:

1. Build a tight core network

- SIX should continue to improve on the current execution of activities
- Host the annual Summer School event India on 'The Connected Urban Life – How new ways of connecting makes cities better for all'

2. Develop SIX globally

- The Board agreed some high level principles in relation to developing a pattern of meeting styles, in different places each year (see table below)
- SIX should create a clear framework to grow by nodes of place, theme and function. Specifically:
 - build on the regional node model to expand the network in new regions – particularly Africa, India and Latin America
 - use the work of the funders node to build a model for other tight thematic nodes globally

Principles of SIX's activity pattern

	Global	Regional	Local
Type of meeting	Summer School Themed nodes e.g. funders meetings, social frontiers	Local node meetings Regional node meetings	Unusual Suspects festival
Where	Moves around the world, as per member	1 in each region each year (Europe, Asia, LatAm, Africa, North America)	Aligned with cities of social innovation

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Report of the Executive Board

For the year ended 31 December 2015

Who for	Exclusive invitation only		Inclusive Open
Organised by	SIX	SIX plus Regional node partners	Collaborative – with lots of partners and funders
Level of experience	8 years	2 – 3 years	1 year

3. Develop and share learning, resources and knowledge

- Better syntheses and curate content. SIX should redevelop the website to better suit the needs of the network, making resources are more easy to access; develop new ways to reach new audiences and highlight practical innovations from all the regions in which we work; build on our current communication strategy and embed better communication in all events and activities

4. Build the SIX organisation

- Retain, develop and grow the SIX team to ensure we have five FTEs, funded through 2015
- Grow the global council, and establish concrete activity and collaborations between members; conduct current member/network analysis to ensure we are running the right activities; grow revenue from large funders

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 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 2015, 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, running more events in more places. During 2015, we hosted 5 international events across 4 continents, and either helped curate or contribute to 20 different events across the world

- We hosted our 8th annual Summer School, in Mumbai in 2015, in collaboration with the Indian School for Design and Innovation (ISDI) on The Connected Urban Life: How new ways of connecting make cities better for all. 100 of the leading thinkers and doers from around the world, 60% of them organisations from India who were new to SIX network came together to explore how India's emerging civic consciousness is impacting on new thinking on cities, citizens and the networks they weave together with their governments and institutions, and brought in experiences and knowledge from international examples. It was the first global social innovation event of its kind in India.

SIX is developing globally, by building nodes of places, theme and function:

- In New York in July 2015, We hosted the first meeting of our 'Funders Node' with 12 foundations from Europe and North America to create a unique environment to share connections, wisdom, tools and methods, all to improve funding social innovation, and in turn increase their impact.
- After the success of the first Unusual Suspects Festival in London in 2014, we brought the Festival to Glasgow in October. The [Unusual Suspects Festival](#) brings together the 'unusual suspects' – individuals and organisations from youth clubs to 'do tanks' to multinational corporations – who are making real social change happen but would not usually be involved in these events. Around 500 people came to 20 events over the 3 days with 35 different contributing organisations – all exploring how we can address some of the most difficult challenges we face in society today.
- As part of the Social Innovation Week in Beijing in June, SIX partnered with the Leping Institute to host the 4th SIX Asia event on accelerating social innovation in the region.
- As part of our Social Innovation Europe project, we partnered with the BMW Foundation to host the [Exploring Ecosystems for Social Innovation](#) event in Berlin, Germany in 2015. Drawing on the expertise of the participants from across the world, the event explored new trends in field of social innovation and how funders and policymakers can better support these ecosystems.
- We partnered with Hivos and the Amani Institute to host an event Nairobi, Kenya in May – a

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Report of the Executive Board

For the year ended 31 December 2015

city that has jumped on the map in recent years for its social innovations– to explore the conditions and components [that make a city a hub for innovation](#). Over 200 people from Kenya attending the Failfare public event. Out of the 80 participants who came over the 2 days, 70% were innovators from the African continent.

Developing resources and knowledge: SIX shares knowledge opening and is now clearer with a new website containing more useful and better content in a variety of different types, and therefore reaching and supporting more people in their innovation efforts:

- We launched a new brand and website, with better organized information in March 2015.
- We drew on the expertise of our Global Council to share their thoughts on where the field of social innovation is heading; and the key trends, ideas or concepts that we should be looking out for.
- We documented key events through videos and reports, pulling out insights to provide resources and inform thinking and proactive in those areas. Videos and reports are available on Understanding ecosystems in Europe, What makes a city an innovation Hub – learning from Nairobi, and Making cities better connected from Mumbai.
- We published 10 stories of how social innovation has impacted people’s lives for the better from around the world, through our Stories of Change series.
- We helped bring together a monthly digest of interesting tools and news from public sector innovators around the world.
- Through our Social Innovation Europe online interview series, we conducted more than 50 interviews with high level thinkers to highlight the best approaches to Europe’s migrant crises, tech for good, digital social innovation, funding innovation and increasing the visibility of women in the field.
- We co-lead the development of the Social Innovation Journey toolkit, to support social innovation cross Europe as part of the EU Transition project

Building the SIX organisation:

- SIX is now stronger with new people working on different projects with us (Advisors, Secondees from around the world), and new funders aware of and supporting our work.
- We focused on developing a large European Commission bid which would bring in 3 years of funding to develop a social innovation community in Europe. In October 2015, we received news that our application was successful.

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For the year ended 31 December 2015

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. 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.

Financial review

The financial results are set out on pages 15– 29. In its second full year of operations SIX generated £317,153 of income and spent £361,219 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 2015 £44,694 (2014 £63,193) and continue to give to fund SIX's ongoing activities.

The Summer School event in India, is a new market for SIX and we were unable to raise the funds which were required to cover the cost of the project. As a result this project ran at a deficit of £17,000. We invested, through staff time, in a fundraising bid for a new project (EU Social Innovation Community) which will now provide significant funding for the next three years. Although this new project resulted in restricted funding, it does contribute substantially to the general overheads and this helps to begin to rebuild an unrestricted surplus. The 2016 budget, approved by the Board, demonstrates this and describes how SIX plans to begin to rebuild the unrestricted surplus through 2016.

Principal risks and uncertainties

The below highlights key challenges for SIX in line with our 4 areas of work:

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Report of the Executive Board

For the year ended 31 December 2015

Building the core network

- The Summer School is a key vehicle for helping members connect more easily, but we need to develop the right business model for the activity, and how do we balance expanding in new geographies with raising sufficient funds

Growing the network through nodes of theme, function and place

- How do we make the most of the funders node to ensure activity/group continues after the RWJF contract? How can we leverage the group to raise more money to continue to develop useful activities?
- What is the right financial/governance model for nodes to spread?

Sharing knowledge openly

- How can we ensure SIX website is the go to place for social innovation content, globally?

Building SIX as an organisation

- What would operational sustainability look like for SIX? – How can we pay for the additional team members that we need in order to grow?
- 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 free reserves of £(35,004) are less than the target amount of £90,000. The charity aims to rebuild the reserves to the target amount over the next five years.

Plans for the future

We will use 2016 as a springboard year to grow SIX, making it bigger, tighter, clearer and stronger building on our achievements in 2015

Building the core network – Helping members connect more easily

- Deliver a great (even better than 2015) programme of events on every continent
- Diversify events and find partner for the first solution focused thematic activity
- Develop better deal for the Global Council, review the model and bring in new members

Growing the network through nodes of theme, function and place

- Develop/execute plan for RWJF funders node activities in 2016 and plan for future funders node activities, bringing in more funders and making it more global
- Establish an academic node, building on social frontiers event

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Report of the Executive Board

For the year ended 31 December 2015

- Work on governance for existing nodes and establish new nodes in Latin America building on the EU Latin American university project, and the 2016 Summer School in Colombia; in Africa building on the work with Hivos last year and other innovation and international development research; seek to develop more work in India building on new networks as a result of Summer School
- Develop activities plan/menu for regional nodes
- Pay a central role in coordinating the European Commission Social Innovation Community project

Sharing knowledge openly

- Raise money to hire a website editor who can revamp SIX content, on and offline

Building SIX as an organization

- Raise money to grow core team, 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.

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Report of the Executive Board

For the year ended 31 December 2015

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 2015 was 8 (2014:8). 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.

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 XXXX XXXX and signed on their behalf by

Jon Huggett
Chair

Independent examiner's report

To the members of

Social Innovation Exchange

I report on the accounts of the company for the year ended 31 December 2015, which are set out on pages 15 to 29.

This report is made solely to the Executive Board as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the Executive Board 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 Executive Board as a body, for my examination, for this report, or for the opinions I have formed.

Respective responsibilities of Executive Board and examiner

The Executive Board (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The Executive Board considers that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountancy in England and Wales (ICAEW).

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Executive Board members concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect the requirements:

Independent examiner's report

To the members of

Social Innovation Exchange

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Jonathan Orchard FCA

Chartered Accountant, ICAEW

Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Date XXXXXXXX

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Social Innovation Exchange

Statement of Financial Activities (Including Income and Expenditure Account)

Year Ended 31 December 2015

		2015			2014
	Note	Unrestricted funds £	Restricted funds £	Total £	Total £
Income and endowments from:					
Voluntary	2	64,154	54,528	118,682	111,359
Projects	3	-	186,371	186,371	168,648
Events	4	11,838	-	11,838	33,821
Investments and other income	5	98	164	262	1,999
Total income and endowments		76,090	241,063	317,153	315,827
Expenditure on:					
Projects, events and governance	6	128,182	233,037	361,219	283,577
Total expenditure		128,182	233,037	361,219	283,577
Net income / (expenditure)		(52,092)	8,026	(44,066)	32,250
Transfers between funds		(3,660)	3,660	-	-
Net movement in funds	17	(55,752)	11,686	(44,066)	32,250
Reconciliation of funds:					
Total funds brought forward	17	21,947	44,790	66,737	34,487
Total funds carried forward	17	(33,805)	56,476	22,671	66,737

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

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Balance Sheet

Year Ended 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	13	1,199	2,794
		<hr/>	<hr/>
		1,199	2,794
Current assets			
Debtors	14	40,359	57,394
Cash at bank and in hand		39,185	62,588
		<hr/>	<hr/>
		79,544	119,982
Creditors: amounts falling due within one year	15	58,072	56,039
		<hr/>	<hr/>
Net current assets		21,472	63,943
		<hr/>	<hr/>
Net assets		22,671	66,737
		<hr/>	<hr/>
Charity Funds			
Restricted funds	17	56,476	44,790
Unrestricted funds	17	(33,805)	21,947
		<hr/>	<hr/>
Total charity funds	17	22,671	66,737
		<hr/>	<hr/>

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

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

The financial statements were approved and authorised for issue by the Board on Insert date approved.

Signed on behalf of the Executive Board

Signature

Name, Executive Board

Date

The notes on pages 18 to 29 form part of these financial statements.

Company registration number: 08364475

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Statement of Cash Flows

Year Ended 31 December 2015

	Note	2015 £	2014 £
Cash flow from operating activities	19	(23,516)	(32,178)
Net cash flow from operating activities		<u>(23,516)</u>	<u>(32,178)</u>
Cash flow from investing activities			
Interest received		113	156
Payments to acquire tangible fixed assets		-	(2,703)
Net cash flow from investing activities		<u>113</u>	<u>(2,547)</u>
Net increase / (decrease) in cash and cash equivalents		(23,403)	(34,725)
Cash and cash equivalents at 1 January 2015		62,588	97,313
Cash and cash equivalents at 31 December 2015		<u>39,185</u>	<u>62,588</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		39,185	62,588
Cash and cash equivalents at 31 December 2015		<u>39,185</u>	<u>62,588</u>

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Notes to the Financial Statements

Year Ended 31 December 2015

1 Summary of significant accounting policies

(a) 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) 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.

(b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 January 2014.

(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) 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.

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Notes to the Financial Statements

Year Ended 31 December 2015

1 Summary of significant accounting policies (continued)

(g) 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.

(h) 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 carrying out network activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

(i) 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.

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

- | | |
|---|-----|
| • Build a tight network by helping member connect to each other easily | 40% |
| • Develop SIX globally by developing nodes of place, theme and function | 0% |
| • Develop learning and resources by sharing knowledge openly | 30% |
| • Build the SIX organisation by ensuring innovators 'own' and found SIX | 40% |

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.

(j) Operating leases

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

Social Innovation Exchange

Notes to the Financial Statements

Year Ended 31 December 2015

1 Summary of significant accounting policies (continued)

(k) 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

(l) 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.

(m) 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.

(n) Creditors and provisions

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.

(o) 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

Year Ended 31 December 2015

2 Income from donations and legacies

	2015 £	2014 £
Gifts	72,710	111,359
Memberships	45,972	-
	<u>118,682</u>	<u>111,359</u>

Income from donations and legacies was £118,682 (2014 - £ 111,359) of which £64,154 (2014 - £ 111,359) was attributable to unrestricted funds and £54,528 (2014 - £nil) was attributable to restricted funds.

3 Income from charitable activities

	2015 £	2014 £
Build a tight network by helping member connect to each other easily.	35,000	50,000
Develop SIX globally by developing nodes of place, theme and function	151,371	89,687
Develop learning and resources by sharing knowledge openly	-	28,961
Build the SIX organisation by ensuring innovators 'own' and found SIX	-	-
	<u>186,371</u>	<u>168,648</u>

Income from charitable activities was £186,371 (2014 - £168,648) of which £186,371 (2014 - £168,648) was attributable to restricted funds.

Social Innovation Exchange

Notes to the Financial Statements

Year Ended 31 December 2015

4 Income from other trading activities

	2015 £	2014 £
Summer School	10,755	28,527
Themed Programmes	749	-
Other events	334	5,294
	<u>11,838</u>	<u>33,821</u>

Income from other trading activities was £11,838 (2014 - £33,821) of which £11,838 (2014 - £33,821) was attributable to unrestricted funds and £nil (2014 - £nil) was attributable to restricted funds.

5 Income from investments

	2015 £	2014 £
Interest - deposits	113	156
Other	149	1,843
	<u>262</u>	<u>1,999</u>

Income from investment was £262 (2014 - £1,999) of which £98 (2014 - £1,999) was attributable to unrestricted funds and £164 (2014 - £nil) was attributable to restricted funds.

6 Analysis of expenditure on charitable activities

	Activities undertaken directly £	Support costs £	2015 £	2014 £
Build a tight network by helping member connect to each other easily.	62,481	28,988	91,469	114,464
Develop SIX globally by developing nodes of place, theme and function	147,148	-	147,148	83,406
Develop learning and resources by sharing knowledge openly	46,443	28,988	75,431	46,196
Build the SIX organisation by ensuring innovators 'own' and found SIX	8,520	38,651	47,171	39,511
	<u>264,592</u>	<u>96,627</u>	<u>361,219</u>	<u>283,577</u>

£128,182 (2014 - £139,492) of the above costs were attributable to unrestricted funds. £233,037 (2014 - £144,085) of the above costs were attributable to restricted funds.

Social Innovation Exchange

Notes to the Financial Statements

Year Ended 31 December 2015

7 Allocation of support costs

Support cost	Basis of allocation	Build a tight network	Develop SIX globally	Develop learning and resources	Build the SIX organisation	2015	2014
	£	£	£	£	£	£	
		30%	0%	30%	40%		
Governance	Time spent	1,686	-	1,686	2,249	5,621	20,465
Finance	Time spent	5,351	-	5,351	7,135	17,837	7,343
Information technology	Time spent	169	-	169	225	563	553
Human resources	Time spent	1,206	-	1,206	1,609	4,021	3,517
Depreciation	Time spent	479	-	479	637	1,595	1,434
Marketing and communication	Time spent	11,271	-	11,271	15,029	37,571	40,863
Office costs (incl. rental)	Time spent	8,344	-	8,344	11,125	27,813	24,105
Pension contributions	Time spent	469	-	469	625	1,563	500
Other	Time spent	13	-	13	17	43	-
Total 2015		28,988	-	28,988	38,651	96,627	
Total 2014		29,634	-	29,634	39,511		98,780

8 Governance costs

	2015	2014
	£	£
AGM costs	386	-
Independent examiners remuneration (including expenses and benefits in kind)	10 1,750	1,800
Support costs	2,592	12,893
Other	893	-
	5,621	14,693

9 Net expenditure for the year

Net expenditure is stated after charging / (crediting):

	2015	2014
	£	£
Depreciation of tangible fixed assets	1,595	1,509
Operating lease rentals	26,108	15,742
	27,703	17,251

Social Innovation Exchange

Notes to the Financial Statements

Year Ended 31 December 2015

10 Independent examiners remuneration

The independent examiners remuneration amounts to an independent examination fee of £1,750 (2014 - £1,800) and other services of £Nil (2014 - £1,560).

11 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2014: £Nil).

The total amount of employee benefits received by key management personnel is £137,919 (2014 - £107,771). The Trust considers its key management personnel comprise:

Louise Pulford
Kine Nordstokka
Jordan Junge

One trustee had expenses reimbursed during the year of £2,652 for travel and accommodation. (2014: £Nil).

12 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2015 Number	2015 FTE	2014 Number	2014 FTE
Raising funds	0.5	0.5	0	0
Charitable activities	4	3.5	4	2.8
Governance and Support	0.5	0.5	1	1
	<hr/>	<hr/>	<hr/>	<hr/>
	5	4.5	5	3.8
	<hr/>	<hr/>	<hr/>	<hr/>

The total staff costs and employees benefit's was as follows:

	2015 £	2014 £
Wages and salaries	147,319	114,861
Social security	12,873	9,725
Defined contribution pension costs	9,447	500
	<hr/>	<hr/>
	169,639	125,086
	<hr/>	<hr/>

Social Innovation Exchange

Notes to the Financial Statements

Year Ended 31 December 2015

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

13 Tangible fixed assets

	Computer equipment £	Total £
Cost or valuation:		
At 1 January 2015	4,833	4,833
At 31 December 2015	4,833	4,833
Depreciation:		
At 1 January 2015	2,039	2,039
Charge for the year	1,595	1,595
At 31 December 2015	3,634	3,634
Net book value:		
At the end of the year	1,199	1,199
At the start of the year	2,794	2,794

14 Debtors

	2015 £	2014 £
Trade debtors	29,900	-
Other debtors	-	51,420
Prepayments and accrued income	10,459	5,974
	40,359	57,394

Social Innovation Exchange

Notes to the Financial Statements

Year Ended 31 December 2015

15 Creditors: amounts falling due within one year

	2015 £	2014 £
Other tax and social security	3,391	3,368
Accruals and deferred income	54,318	49,538
Other creditors	363	3,133
	<hr/>	<hr/>
	58,072	56,039

Other creditors include £363 (2014: £Nil) outstanding to the pension fund.
Deferred income represents subscription income received in this year for next.

	2015 £	2014 £
Deferred income brought forward	49,538	62,738
Released in the year	(49,538)	(62,738)
Deferred in the year	54,318	49,538
	<hr/>	<hr/>
Deferred income carried forward	54,318	49,538

16 Leases

a) Finance leases - lessee

Finance lease relates to office rental agreement with Somerset House Trust. Total future minimum finance lease payments are as follows:

	2015 £	2014 £
Not later than one year	26,108	23,177
Later than one and not later than five years	64,401	-
Later than five years	-	-
	<hr/>	<hr/>
	90,509	23,177

Social Innovation Exchange

Notes to the Financial Statements

Year Ended 31 December 2015

17 Fund reconciliation

Unrestricted funds

	Balance at 01/01/2015	Income	Expenditure	Transfers	Gains / (losses)	Balance at 31/12/2015
	£	£	£	£	£	£
General fund	21,947	76,090	(128,182)	(3,660)	-	(33,805)
Total unrestricted funds	21,947	76,090	(128,182)	(3,660)	-	(33,805)

Restricted funds

	Balance at 01/01/2015	Income	Expenditure	Transfers	Gains / (losses)	Balance at 31/12/2015
	£	£	£	£	£	£
Hivos - Africa Event	6,120	44,377	(53,751)	3,254	-	-
European Commission - Social Innovation Europe	5,011	22,435	(27,446)	-	-	-
EU Engaged	13,444	-	(13,444)	-	-	-
EBN transitions	20,000	317	(20,317)	-	-	-
Compartamos con Colombia	215	-	(215)	-	-	-
Gulbenkian	-	5,000	(5,406)	406	-	-
RWJF	-	130,514	(74,038)	-	-	56,476
Seoul Metropolitan Government	-	8,420	(8,420)	-	-	-
Big Lottery Fund	-	10,000	(10,000)	-	-	-
Joseph Rowntree Foundation	-	10,000	(10,000)	-	-	-
Nesta	-	10,000	(10,000)	-	-	-
Total restricted funds	44,790	241,063	(233,037)	3,660	-	56,476
Total funds	66,737	317,153	(361,219)	-	-	22,671

Restricted fund descriptions

Hivos

To support the acceleration of social innovation across Africa through a series of events

European Commission - Social Innovation Europe

To create a social innovation community across Europe

EU Engaged

Consortium to promote healthy and active ageing through innovation in Europe

EBN transitions

Consortium to understand incubation practices across Europe

Social Innovation Exchange

Notes to the Financial Statements

Year Ended 31 December 2015

17 Fund reconciliation (continued)

Compartamos con Colombia

To facilitate and develop thinking on how to build momentum for social innovation in Colombia

Seoul Metropolitan Government

To host SIX global summer school in Seoul, South Korea

Big Lottery Fund

To support the preparation and running of the Unusual Suspects Festival in Glasgow, Scotland

Joseph Rowntree Foundation

To support the preparation and running of the Unusual Suspects Festival in Glasgow, Scotland

Nesta

To support the preparation and running of the Unusual Suspects Festival in Glasgow, Scotland

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	1,199	-	1,199
Cash and current investments	(17,291)	56,476	39,185
Other current assets / liabilities	(17,713)	-	(17,713)
Total	(33,805)	56,476	22,671

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

	2015 £	2014 £
Net income / (expenditure) for year	(44,066)	32,250
Interest receivable	(113)	(156)
Depreciation and impairment of tangible fixed assets	1,595	1,509
(Increase) / decrease in debtors	17,035	(6,151)
Increase / (decrease) in creditors	2,033	(59,630)
Net cash flow from operating activities	(23,516)	(32,178)

Social Innovation Exchange

Notes to the Financial Statements

Year Ended 31 December 2015

20 Pensions and other post-retirement benefits

a) Defined contribution pension plans

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £ 9,446 (2014 - £500).

21 Related party transactions

There are no related party transactions during the period (2014: £ nil).