

Company number: 08364475

Charity number: 1155570

Social Innovation Exchange

Report and financial statements

For the year ended 31 December 2018

Social Innovation Exchange

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For the year ended 31 December 2018

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Social Innovation Exchange

Reference and administrative information

For the year ended 31 December 2018

Company number 08364475

Charity number 1155570

**Registered office
and operational
address** 3-5 Hardwidge Street
LONDON
SE1 3SY
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	
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

Report of the Executive Board

For the year ended 31 December 2018

The Executive Board present their report and the audited financial statements for the year ended 31 December 2018.

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

When SIX was established, we also established a global council who acted as an advisory group for SIX. Over 2018, we have reviewed the role of the Global Council and added an additional group of expert advisors, the SIX100, to widen input and strategic direction to the work of SIX. The Global Council and SIX100 act as representatives and a hub for SIX around the world.

Report of the Executive Board

For the year ended 31 December 2018

The SIX100 is made up of close friends to SIX who can be seen as our global Ambassadors. In comparison, the Global Council 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

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;
- Support SIX financially through an annual financial contribution;
- Guide and influence the development of SIX through 3 representatives on the Executive Board.

Over 2018, we had more expressions of interest to be part of the Global Council from different parts of the world. At the end of 2018, the Global Council had 15 partner organisations.

Appointment of Executive Board members

Between four and eight Trustees can be appointed by the Trustees. 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.

Updating SIX’s vision and mission

2018 was a pivotal year for SIX. As the field of social innovation develops, we needed to review our vision and mission. Whilst we have updated our mission, our vision and unique advantages remain the same:

- The quality and scope of the network
- The environments we create – At SIX, we create purposeful conversations that drive innovation. These are conversations 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

We built on the achievements of 2017, and used 2018 to prepare for our next stage of growth, in line with the changing social innovation market.

SIX was founded to help identify and connect isolated people and organisations within social innovation, in order to build the emerging field and share ideas within it. This was fuelled by our belief that change is more effective when people work collectively. Ten years later, we have helped to establish a flourishing global social innovation movement, and to connect those working within it. In order for SIX to remain the leading organisation who sets the direction for social innovation globally, we needed to update our vision and mission.

2018 – 2020: Vision and Mission

SIX is a social innovation exchange built on mutual value, relationships and knowledge. Our vision is that everyone has access to, and can use, innovation to grow social impact, and live the life they want to live.

We believe that the exchange of experiences and knowledge drives positive social change, and that everyone has something to contribute and gain from the exchange. We curate connections between thinkers and doers who share a common goal of wanting to improve society. We invite

Social Innovation Exchange

Report of the Executive Board

For the year ended 31 December 2018

new people into these conversations in order to create a buzzing marketplace of ideas and experiences.

As an exchange, we facilitate purposeful conversations that challenge and inspire people to advance the field of social innovation.

SIX exists to challenge and inspire people to use innovation to increase social impact.

Our mission is to create and strengthen environments where social innovation can thrive. In 2018, we delivered this mission in 5 areas:

1. Growing the social innovation movement
2. Increasing the impact of philanthropy
3. Influencing policy to incorporate social innovation
4. Challenging universities to rethink their purpose
5. Empowering organisations to innovate

Key activities

We deliver our mission through 4 types of activity, building on the work of 2017 :

1. Events and convening
2. Capacity building programmes
3. Developing and sharing insights and knowledge
4. Developing an organisation fit for the future – people, resources, systems

Our target audience in 2018 was:

- **Sectors** – our work focussed on Funders/Foundations, Policy makers, Corporates, and Universities
- **Geography** – our activities took place in Europe, East Asia (Hong Kong, Seoul and Malaysia), Turkey and the Middle East, Canada and Australia

Below is a list of the corresponding goals and priorities agreed by the Executive Board, attached to the 2018 activities. Each builds on the work of the previous year and is mutually reinforcing. We have deepened our connections through existing programmes of work (for example the Funders node), and expanded our reach through new activities (for example capacity building programmes).

1. Events and convening – The priority of this strand of activity was to develop our flagship programmes:

- 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.
- Develop Wayfinder model and spread it globally. 2018 was an opportunity to test this in Turkey.

- Spread the Unusual suspects festival to more places, and develop a way to communicate the unusual suspects stories between festivals.

2. Capacity building programmes – It was agreed the SIX should provide more practical trainings to help build skills in social innovators. This is also a good business model for SIX. Therefore, in 2018, we should:

- Use the SEASIN and LASIN programmes to build a reputation of social innovation training and test the model
- Develop capacity building not only through training but also through study visits, and through our events

3. Develop and share knowledge and insights – The Board agreed SIX should focus on developing products though synthesising and curating content:

- SIX should 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.

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4. Build the SIX organisation – in order to have a strong foundation on which to deliver the above activities. Specifically 2018's organisational development should focus on:

- Expanding 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.
- Improving communication capacity in the team and concluding the strategy process through an effective communications exercise.
- Raising money to grow core team, particularly an editor function and someone to help develop more future projects.
- Growing our reserves and continue to improve financial management

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 2018, we hosted several activities, as identified in the strategy at the beginning of the year. We also took advantage of new opportunities as they arose, contributing to the ongoing strategy development process.:

1. Events and convening

Funders node

In 2018, three aims were set out to grow the SIX Funders node programme within SIX. The first aim was to strengthen existing relationships with foundations and build new ones from different parts of the world; the second aim was to dive deeper into the topics and themes important to funders/develop more useful products and shareable insights to position SIX; and the third was to develop a sustainability plan for the funders node, including developing the business model and preparing for the next few years.

The funders node retreats were key to achieving these aims. In 2018, we hosted 3 invite only retreats for foundations, bringing in new foundations and strengthening existing relationships. 55 foundations from around the world attended the 3 retreats:

1. **Wasan Island, Canada** (8–11 August) – focussed on **Strategic Foresight**. This was a new topic for SIX, which allowed us to invite new organisations to be part of this work (in partnership with Robert Bosch Foundation, Germany)..
2. Retreat in **Australia**, (1–3 September) on **'Taking risks to achieve a greater impact'**. Australia was a new country for the Funders Node and we working with a new partner (Fay Fuller Foundation) which enabled us to bring 10 new foundations to our work.
3. **Wasan Island, Canada** (12–15 September) – focussed on **How funders can use data better to solve complex challenges**.

The final retreat built on a research project which we conducted in the first part of the year where we produced a global scan, case studies and analysis of how foundations were already using data effectively (details in Knowledge and Insights section below).

In addition to the retreats, we also attended and hosted workshops at several other global philanthropy events.

Social Innovation Community

In terms of supporting regional ecosystems, the Social Innovation Community (SIC) project, 2018 was the third and final year. By connecting existing social innovation networks across Europe, SIC spent three years connecting, strengthening and growing social innovation activity in Europe, to help improve our collective capacity to address some of the greatest challenges we face today. SIX's focus in the final year was communicating the insights produced during the activities of the consortium; designing and facilitating Summer Schools and learning relays to encourage more active learning between organisations across Europe; working with EU policy makers to improve social innovation policy through co-producing a the Lisbon Declaration; and hosting a final event in Seville with 150 social innovation thinkers and practitioners from more than 20 European countries discussing what is needed to grow the movement in Europe in the future. SIX also developed a sustainability plan to support the ongoing activities and impact of the project after the EU funds end.

SIX Wayfinder Istanbul, 14–15 May 2018

One year on from the London Wayfinder, some progress has been made, but many challenges remain. With the support of local, regional and international partners, the Wayfinder returned in 2018, this time in Turkey. The event was designed in the same way as the previous event in London, with a mixture of talks and workshops in a participatory and engaging style. Istanbul Wayfinder built on two calls to action from London: 1) Getting truly multi-sector in social innovation — with an emphasis on integrating corporate, government and philanthropic social innovation; and 2) Creating enabling platforms to enrich social innovation ecosystems — learning from around the world about the key conditions and overcoming barriers. We embarked on a shared global learning experience for two days with 500+ participants from 30 countries. We produced an insights report, a collection of short films and resources on corporate social innovation and a selection of blogs and infographics which are available on the Wayfinder website.

The Unusual Suspects Festival, Seoul

Building on the 4 years of running The Unusual Suspects Festival in the UK, 2018 provided an opportunity to explore how to spread the model globally. Working closely with partners in Seoul, the Unusual Suspects Festival was hosted for the first time outside the UK in November. The SIX team provided advice and strategic direction, rather than organising the event ourselves.

Our ambition is to transition The Unusual Suspects into a more continuous model, that goes beyond the festival, where we continuously identify, empower and mobilise unusual suspects. In order to achieve this, we developed the Unusual Suspects as a platform, with the objective of building a community of “unusual suspects” and a close network of partners and collaborators through a series of small talks and events (both self-organised by the unusual suspects or curated by SIX); and through the collection of short films telling stories of individual changemakers.

2. Capacity building programmes

SEASIN Social Innovation Studios

As part of the SEASIN project, SIX ran two-day learning programmes, Social Innovation Studios, across four countries in Southeast Asia, Myanmar (Yangon), Thailand (Bangkok), Cambodia (Phnom Penh) and Malaysia (Kuala Lumpur), designed to help develop the capacity of social innovators in South East Asia, in collaboration with Scope Group and University of Aveiro, ID+ DESIS Lab.

The Studios were aimed at 20–30 participants, consisting of students, university staff and early-stage innovators. Our objective was to provide a solid understanding of social innovation, share examples of social innovation practice, connect local and global knowledge and create a sense of enthusiasm and sense of belonging.

Through the Studios, SIX developed a strong collaboration with University of Aveiro, ID+ DESIS Lab, combining SIX's facilitation and understanding of context with ID+ DESIS Lab's "design for social innovation" tools. We co-designed and co-facilitated each of the social innovation workshops. It was an opportunity to test our collaboration with the University of Aveiro, and to explore how to build social innovation training modules that can be packaged together.

Building social innovation knowledge and leadership to support poverty relief in Hong Kong.

The purpose of this project, which begun in 2018 in partnership with British Council HK, is to work with the university community to co-create an environment that can enable and empower the future leaders of Hong Kong to have access to the knowledge and skills to build a society in which nobody is left behind. The project is designed to support new and innovative academic research and the student community, as well as the relationship between universities and those at the forefront of poverty relief in Hong Kong. SIX's role is to run capacity building workshops between academics and citizens/community members and the workshops will take place in 2019.

EVPA workshop on funding social cohesion, Poland

We hosted a workshop exploring the opportunities for funders to support social cohesion as part of the European Venture Philanthropy Association Annual Conference in Poland. This was designed to build capacity for a variety of funders in supporting social cohesion.

3. Develop and share knowledge and insights: Sharing knowledge actively was a key strategic focus area in 2018. Below are some of the main highlights which we produced and shared widely with our network of 10,000+ global audience:

- Published the SIX prospectus, outlining the key elements of SIX's mission and impact areas.
- Published the global scan of how foundations are using data to tackle complex social challenges
- Collated 'Future trends for innovative cities' booklet for Mayor Park, with short essays from the Mayor of Seoul's Advisory groups on social innovation. The SIX ED is a member and contributed an essay.
- Developed insights and summary reports, following the funder retreats:
 - The opportunity for strategic foresight in philanthropy
 - Taking risks and achieving greater impact: a view from global foundations

- Insights on data and philanthropy
- The Lisbon Social Innovation Declaration (SIC project) – available in Spanish, Italian, French and German. SIX also produced Declaration cards. This was endorsed by the European Commissioner for Research, Science and Innovation
- Following the Wayfinder event in Istanbul, we developed several insights including a new infographic, and blogs, think pieces, short films and poems from high level participants. A series of infographics and an online collection of short films on Corporate Social Innovation following the Wayfinder in Istanbul were also developed. These resources are available on the Wayfinder website which still has a significant viewing traffic.
- Developed and launched the Unusual Suspects digital storytelling project, featuring more than 60 short films with changemakers from the UK, South Korea and Sweden.
- 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:

- We continue to regularly update and refresh the main SIX website, sharing our content and that of our partners. This enables use to reach and support more people in their innovation efforts.
- Two regular social innovation newsletters – bi-weekly through SIX targeting a global audience and monthly through SIC, targeting in a European audience.
- Quarterly event and reads with specially collated social innovation resources for our global council partners.
- Communication partnerships – SIX continues to nurture more than 10 content partnerships with other sector specialist organisations where we cross post articles, helping to get SIX content spread more widely.

Beneficiaries of our services

Because SIX is a network focussed on exchange, its 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.

Report of the Executive Board

For the year ended 31 December 2018

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 from page 17 onwards. SIX generated £642,561 of income and spent £533,660 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 2018 £ – 133,349 (2017 £121,024) and continue to give to fund SIX's ongoing activities.

Principal risks and uncertainties

The Executive Board discuss risks and uncertainties in each Board meeting. Two main uncertainties for SIX in 2018 were:

Short term challenge – In January 2019, the SIC project ends. We need to focus on securing new work and funding streams to prepare for the end of a major three year programme.

Long term challenge – How do we move to multi-year funding to better plan for the future? Many of the income streams we have are just 1 year long. This means fundraising is constantly a high priority. How do we secure more multi-year funding streams to better plan for the future?

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 £245,506. This will be reinvested into the organisation over the next three years, in line with growth strategy agreed by the Board.

Plans for the future

At the November 2018 Board meeting, the following strategic plan was agreed for 2019. We will focus on the following:

1. Actors – Foundations/Philanthropy – Funders node; Corporates – Focus on next generation leaders/family conglomerates; Policy – Focus on connecting power back to people
2. Countries – we will continue to support countries where social innovation is a new concept, as well as countries where social innovation is advanced.
3. Activities – We will continue to focus on our core activities (events, capacity building, and developing insights) and we will continue to deliver all current contracts brilliantly.

Core Activity Plan for 2019

At the end of 2018, we concluded the strategy review. We set a new strategy for the next 3 years and identified a clear plan for 2019 focussing on the following activities:

1. Events and convening

The 3 year strategy is to: Establish global flagship events to offer wider access by building out our **Convening and Event** portfolio, explore partnerships and/or franchise models.

In 2019, we will work towards this by:

- Hosting a **Wayfinder** in South Africa; Create desirability so people want to apply to host Wayfinders in future; Prepare 2020 candidate list
- Test Franchise model for the **Unusual Suspects Festival** including having a festival in Seoul, and an additional city
- Continue core activities for the **Funders node**: Host two retreats a year (Canada); Bring in funding for programme in Australia 3 years, 3 retreats in Oz; Develop a programme on strategic foresight; and work on our business model, develop clearer offer, value proposition and products (things people can buy not just provide core support)

2. Capacity building programmes

The 3 year strategy is to: Productise our **capacity building services** to offer more resources and training by packaging up our trainings/tools/capabilities. In 2019, we will work towards this:

- Host **SI101 workshops** alongside other events as 'add ons', rather than stand alone projects; Work with University of Aveiro to develop package based on SEASIN training
- Actively sell the **3 day SIC summer school** model to regional development agencies in Europe and deliver 2
- Develop 3– 5 day **study tours** to UK to organisations according to a theme, with SIX101 training built in

3. Knowledge and Insights.

The 3 year strategy is to: Continue to develop and share knowledge and insights more widely; and design and implement a new consultancy offering by utilising these knowledge and insights of 10 years of exchange experience and connections. In 2019, we will work towards this by:

Report of the Executive Board

For the year ended 31 December 2018

We will continue to design and facilitate events for people, provide advisory services or doing short city based innovation projects on an ad hoc basis. We should also try to standardise this work to grow SIX.

The SIX operational plan will develop to support the above activities adequately. Focus will be on ensuring we have the right team, procedures and processes in place for growth.

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.

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 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:

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

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

2 July 2019 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 2018.

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: DATE

Social Innovation Exchange

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

For the year ended 31 December 2018

	Note	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
Income from:							
Donations and legacies	2	385,057	244,582	629,639	182,162	145,450	327,612
Charitable activities	3	–	–	–	53,011	–	53,011
Other income	4	12,922	–	12,922	29,312	–	29,312
Total income		397,979	244,582	642,561	264,485	145,450	409,935
Expenditure on:							
Raising funds	5	37,720	–	37,720	35,728	–	35,728
Charitable activities	5	251,358	244,582	495,940	175,610	154,139	329,749
Total expenditure		289,078	244,582	533,660	211,338	154,139	365,477
Net income / (expenditure) for the year	6	108,901	–	108,901	53,147	(8,689)	44,458
Reconciliation of funds:							
Total funds brought forward		145,294	(8,689)	136,605	92,147	–	92,147
Total funds carried forward		254,195	(8,689)	245,506	145,294	(8,689)	136,605

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 17 to the financial statements.

Social Innovation Exchange

Balance sheet

Company no. 08364475

As at 31 December 2018

	Note	£	2018 £	£	2017 £
Fixed assets:					
Tangible assets	11		3,080		2,239
			<u>3,080</u>		<u>2,239</u>
Current assets:					
Debtors	12	224,294		164,587	
Cash at bank and in hand		117,926		123,336	
		<u>342,220</u>		<u>287,923</u>	
Liabilities:					
Creditors: amounts falling due within one year	13	(99,794)		(153,557)	
				<u></u>	
Net current assets / (liabilities)			<u>242,426</u>		<u>134,366</u>
			<u></u>		<u></u>
Total net assets / (liabilities)			<u>245,506</u>		<u>136,605</u>
			<u></u>		<u></u>
The funds of the charity:	17				
Restricted income funds in deficit			(8,689)		(8,689)
Unrestricted income funds:					
General funds		254,195		145,294	
		<u></u>		<u></u>	
Total unrestricted funds			<u>254,195</u>		<u>145,294</u>
			<u></u>		<u></u>
Total charity funds			<u>245,506</u>		<u>136,605</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

2 July 2019

and signed on their behalf by



Marcello Palazzi
Chair

Social Innovation Exchange

Statement of cash flows

For the year ended 31 December 2018

	Note	2018 £	£	2017 £	£
Cash flows from operating activities	18				
Net cash provided by / (used in) operating activities			(3,356)		15,653
Cash flows from investing activities:					
Purchase of fixed assets		(2,054)		(2,484)	
Net cash provided by / (used in) investing activities			(2,054)		(2,484)
Net cash provided by / (used in) financing activities			–		–
Change in cash and cash equivalents in the year			(5,410)		13,169
Cash and cash equivalents at the beginning of the year			123,336		110,167
Change in cash and cash equivalents due to exchange rate movements			–		–
Cash and cash equivalents at the end of the year			117,926		123,336

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 is 3-5 Hardwidge Street Top Floor London SE1 3SY.

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.

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.

Notes to the financial statements

For the year ended 31 December 2018

1 Accounting policies (continued)**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%
● Events and convening	40%
● Knowledge and insights	25%
● Capacity building	20%
● 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.

● Events and convening	50%
● Knowledge and insights	25%
● Capacity building	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.

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	3 years
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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.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
Gifts and donations	251,708	244,582	496,290	61,138	145,450	206,588
Global Council	133,349	–	133,349	121,024	–	121,024
	<u>385,057</u>	<u>244,582</u>	<u>629,639</u>	<u>182,162</u>	<u>145,450</u>	<u>327,612</u>

Income from donations and legacies was £629,639 (2017: £327,612) of which £385,057 (2017: £182,162) was attributable to unrestricted funds and £244,582 (2017: £145,450) was attributable to restricted funds.

3 Income from charitable activities

	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
Build a tight network by helping members connect to each other easily	–	–	–	53,011	–	53,011
Total income from charitable activities	<u>–</u>	<u>–</u>	<u>–</u>	<u>53,011</u>	<u>–</u>	<u>53,011</u>

4 Other income

	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
Other events	12,922	–	12,922	29,312	–	29,312
	<u>12,922</u>	<u>–</u>	<u>12,922</u>	<u>29,312</u>	<u>–</u>	<u>29,312</u>

Income from other trading activities was £12,922 (2017: £29,312) of which £12,922 (2017: £29,312) was attributable to unrestricted funds and £NIL (2017: Nil) was attributable to restricted funds.

Social Innovation Exchange

Notes to the financial statements

For the year ended 31 December 2018

5a Analysis of expenditure (current year)

	Charitable activities							2017 Total £
	Cost of raising funds £	Events and convening £	Knowledge and insights £	Capacity building £	Support costs £	Governance costs £	2018 Total £	
Staff costs (Note 7)	13,641	109,130	68,206	54,565	19,098	8,185	272,825	212,460
Other HR costs	-	7,160	57,588	-	38,858	-	103,606	26,282
Professional fees	-	-	-	-	1,597	-	1,597	9,179
Event costs	20,995	-	-	-	-	-	20,995	23,095
Travel and subsistence	3,084	24,668	15,418	12,334	4,317	1,850	61,671	40,204
Office costs	-	-	-	-	-	43,050	43,050	32,782
IT	-	-	-	-	-	26,103	26,103	18,616
Depreciation	-	-	-	-	-	1,213	1,213	359
Accountancy and IE fees	-	-	-	-	2,600	-	2,600	2,500
	37,720	140,958	141,212	66,899	66,470	80,401	533,660	365,477
Support costs	-	33,235	16,618	16,618	(66,470)	-	1	-
Governance costs	-	40,201	20,100	20,099	-	(80,401)	(1)	-
Total expenditure 2018	37,720	214,394	177,930	103,616	-	-	533,660	-
Total expenditure 2017	35,728	171,192	79,279	79,278	-	-	-	365,477

Social Innovation Exchange

Notes to the financial statements

For the year ended 31 December 2017

5b Analysis of expenditure (prior year)

	Charitable activities							
	Cost of raising funds £	Events and convening £	Knowledge and insights £	Capacity building £	Support costs £	Governance costs £	2017 Total £	2016 Total £
Staff costs (Note 8)	10,623	95,607	42,492	42,492	14,872	6,374	212,460	179,720
Other HR costs	-	-	-	-	-	26,282	26,282	29,484
Professional fees	-	-	-	-	9,179	-	9,179	18,122
Event costs	23,095	-	-	-	-	-	23,095	26,026
Travel and subsistence	2,010	18,092	8,041	8,041	2,814	1,206	40,204	26,928
Office costs	-	-	-	-	-	32,782	32,782	39,949
IT	-	-	-	-	-	18,616	18,616	26,499
Depreciation	-	-	-	-	-	359	359	1,084
Accountancy and IE fees	-	-	-	-	2,500	-	2,500	2,550
	35,728	113,699	50,533	50,533	29,365	85,619	365,477	350,362
Support costs	-	14,683	7,341	7,341	(29,365)	-	-	-
Governance costs	-	42,810	21,405	21,404	-	(85,619)	-	-
Total expenditure 2017	35,728	171,192	79,279	79,278	-	-	365,477	-
Total expenditure 2016	-	175,181	87,591	87,591	-	-	-	350,362

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2018 £	2017 £
Depreciation	1,213	359
Operating lease rentals:		
Property	31,798	21,298
Independent examiner's remuneration (excluding VAT):		
Independent examination	2,600	2,500
	<u>2,600</u>	<u>2,500</u>

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

Staff costs were as follows:

	2018 £	2017 £
Salaries and wages	239,624	188,555
Social security costs	21,075	14,829
Employer's contribution to defined contribution pension schemes	12,126	9,075
	<u>272,825</u>	<u>212,459</u>

One employee earned more than £60,000 during the year (2017: nil).

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £148,701 (2017: £132,725).

The Executive Board were not paid or received any other benefits from employment with the charity in the year (2017: £nil). No Executive Board received payment for professional or other services supplied to the charity (2017: £nil).

The Executive Board's expenses represents the payment or reimbursement of travel and subsistence costs totalling £1,386 (2017: £nil) incurred by 1 (2017: nil) members relating to attendance at meetings of the trustees.

8 Staff numbers

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

	2018 No.	2017 No.
Raising funds	1.0	1.5
Charitable activities	5.0	4.0
Support and governance	2.0	1.5
	8.0	7.0

9 Related party transactions

Andres Cosarinksy, a close family member to one of the trustees (Martin Cosarinksky), was paid £2,368 in relation to consultancy services during the year. The transaction was undertaken at market rates (2017: £350), no balance was remaining to be paid at year end.

10 Taxation

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

11 Tangible fixed assets

	Computer equipment £	Total £
Cost or valuation		
At the start of the year	7,317	7,317
Additions in year	2,054	2,054
	9,371	9,371
Depreciation		
At the start of the year	5,078	5,078
Charge for the year	1,213	1,213
	6,291	6,291
Net book value		
At the end of the year	3,080	3,080
	2,239	2,239

All of the above assets are used for charitable purposes.

12 Debtors

	2018 £	2017 £
Trade debtors	165,352	158,712
Other debtors	–	73
Prepayments	1,000	1,000
Accrued income	57,942	4,802
	<u>224,294</u>	<u>164,587</u>

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	28,941	1,336
Taxation and social security	8,006	14,082
Accruals	4,857	9,845
Deferred income	57,990	128,294
	<u>99,794</u>	<u>153,557</u>

14 Deferred income

Deferred income comprises funding received from Technische Universitaet Muenchen, SIX Global Council Partnership and Glasgow Caledonian University for SCALINGS, SIX Global Council and CGF (Common Good First) project, respectively, which will be spent in 2019.

	2018 £	2017 £
Balance at the beginning of the year	128,294	100,482
Amount released to income in the year	(128,294)	(100,482)
Amount deferred in the year	57,990	128,294
	<u>57,990</u>	<u>128,294</u>
Balance at the end of the year	<u>57,990</u>	<u>128,294</u>

15 Pension scheme

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £12,126 (2017: £9,075).

16a) Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	3,080	–	3,080
Investments	117,926	–	117,926
Net current assets	133,189	(8,689)	124,500
Net assets at the end of the year	254,195	(8,689)	245,506

16b) Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	2,239	–	2,239
Investments	123,336	–	123,336
Net current assets	19,719	(8,689)	11,030
Net assets at the end of the year	145,294	(8,689)	136,605

17a) 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					
Common Good	(1,343)	2,010	2,010	–	(1,343)
LASIN	–	7,800	7,800	–	–
SCALINGS	–	30,531	30,531	–	–
SEASIN	(7,346)	24,922	24,922	–	(7,346)
Other restricted – SIC	–	143,100	143,100	–	–
SIKE (Social Innovation for Knowledge Exchange)	–	36,220	36,220	–	–
Total restricted funds	(8,689)	244,582	244,582	–	(8,689)
Total unrestricted funds	145,294	397,979	289,078	–	254,195
Total funds	136,605	642,561	533,660	–	245,506

17b) 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					
Common Good	-	1,845	3,188	-	(1,343)
LASIN	-	19,216	19,216	-	-
SEASIN	-	14,570	21,916	-	(7,346)
Other restricted -SIC	-	99,816	99,816	-	-
RWJF	-	10,000	10,000	-	-
Total restricted funds	-	145,447	154,136	-	(8,689)
Total unrestricted funds	92,147	264,485	211,338	-	145,294
Total funds	92,147	409,932	365,474	-	136,605

Movement in funds

Purposes of restricted funds

European Commission

Common Good First – to create a digital network to identify, showcase (through storytelling) and connect social innovation projects around the world.

SIC – to create a social innovation community across Europe

SIKE – to support social innovation through knowledge exchange between universities and their communities by developing SIKE Units within universities in Europe, which encourage the development of new social innovation projects and products

SCALINGS – an interdisciplinary European research project seeking to develop a systematic and in-depth understanding of the socio-cultural variation of co-creation across 10 European countries in 3 research areas

SEASIN – to support and promote social innovation as a means to achieve sustainable and inclusive socio-economic growth, social cohesion and equity in South East Asia, through partnering with universities to develop intercultural, curricular and extracurricular activities

LASIN – implements a new model for Universities in Latin America focused on socioeconomic engagement, and based on a combination of curricular and extra-curricular activities

RWJF

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.

Funds in deficit

Common Good and SEASIN have negative brought forwards, this was 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.

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

	2018 £	2017 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	108,901	44,458
Depreciation charges	1,213	359
(Increase)/decrease in debtors	(59,707)	(60,654)
Increase/(decrease) in creditors	(53,763)	31,490
Net cash provided by / (used in) operating activities	(3,356)	15,653

19 Analysis of cash and cash equivalents

	At 1 January 2018 £	Cash flows £	Other changes £	At 31 December 2018 £
Cash at bank and in hand	123,336	(5,410)	–	117,926
Total cash and cash equivalents	123,336	(5,410)	–	117,926

20 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 2018 £	2017 £
Less than one year	22,000	18,000
One to five years	–	–
	22,000	18,000

21 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.