

Company number: 08364475
Charity number: 1155570

Social Innovation Exchange

Report and financial statements
For the year ended 31 December 2019

Social Innovation Exchange

Contents

For the year ended 31 December 2019

Reference and administrative information	1
Executive Board members' annual report	2
Independent examiner's report	16
Statement of financial activities (incorporating an income and expenditure account)	18
Balance sheet	19
Statement of Cash Flows	20
Notes to the financial statements	21

Social Innovation Exchange

Reference and administrative information

For the year ended 31 December 2019

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 (until April 2019)
So Jung Rim

Bankers Cooperative Bank
80 Cornhill
LONDON
EC3V 3NJ

Solicitors Bates Wells and Braithwaite
Scandanavian 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 2019

The Executive Board present their report and the audited financial statements for the year ended 31 December 2019.

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, 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. In 2018, we also established 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.

Social Innovation Exchange

Report of the Executive Board

For the year ended 31 December 2019

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 Council 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 2019, we had more expressions of interest to be part of the Global Council from different parts of the world, including a new university from South Africa. At the end of 2019, 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.

Social Innovation Exchange

Report of the Executive Board

For the year ended 31 December 2019

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.

2019 – 2020: Vision and Mission

In 2019, we worked towards the vision and mission that was updated in 2018.

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.

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 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 2019, 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

Our unique advantage

- Flexibility to adapt to the new challenges faced by the world and staying ahead of trends – as new societal challenges arise, new methods and tools and a social innovation lens needs to be applied in different areas. In addition, as public resources become more limited, new kinds of finance and public sector practices are developed. SIX is agile enough to adapt our work to these new trends and spread them globally.

Social Innovation Exchange

Report of the Executive Board

For the year ended 31 December 2019

- The way we work – At SIX, we create purposeful conversations that drive innovation. These are conversations you can't have anywhere else. We are known as expert facilitators, translators, and curators.
- Social innovation knowledge: The social innovation knowledge we hold in the team, Executive Board and close partners, and the extensive social innovation resources we provide.
- Global reach – Our ability to work across countries and cultures; The quality and scope of the network.

Key activities

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

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

Our target audience in 2019 was:

- **Sectors** – our work primarily focussed on Funders/Foundations, Corporates, Universities and city level policy work (with Mayors). We also started to build more work with young people/future generation social innovation leaders.
- **Geography** – our activities took place in Europe, East Asia (Hong Kong and Seoul), Canada and Australia.

Below is a list of the corresponding goals and priorities agreed by the Executive Board at the beginning of the year, attached to the 2019 key activities. Each build 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 and we set an ambition to take the event to other places.
- 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 SIX should provide more practical trainings to help build skills in social innovators. This is also a good business model for SIX. Therefore, in 2019, 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 through 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.

4. Build the SIX organisation – in order to have a strong foundation on which to deliver the above activities. Specifically, 2019's organisational development should focus on:

- Prepare to transition our funding model into more small projects, since the big 3-year European Commission grant would be ending this year. Develop more small projects.
- Raising money to grow core delivery team, in order to free up the CEO to do more fundraising/outreach activities.
- Growing our reserves and continue to improve financial management.
- 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.

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 reports 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 considers 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 the benefit of the general public.

Specific activities

1. Events and convening

Our convening activities focussed on Funders node:

a) We hosted 3 global retreats on Wasan Island in Canada, bringing together more than 50 philanthropic leaders from around the world:

- **Philanthropy and the private sector, June 2019** – This retreat explored the opportunities for better collaboration between the philanthropic and private sectors to advance social innovation and change systems. These sectors are indelibly linked as wealth accrual through business is the source of many private and corporate endowments. Today, these sectors have roles both exacerbating and redressing pressing social and environmental problems. We concluded that their relationship needs more attention.
- **Risk, Legitimacy and Philanthropy, September 2019** – This retreat dived deeper into the culture of risk in philanthropy. Many foundations are still risk averse, despite operating with fewer constraints compared to other sectors. We believe foundations should support each other to take more risks, in an effort to spur more innovation to achieve transformational change. In an era where the legitimacy and authenticity of foundations is being questioned, how can we encourage the philanthropic sector to take more risks?
- **Social cohesion and the role for philanthropy, September 2019** – Our third and final Funders Node retreat on Wasan Island this year convened philanthropic leaders from four continents to discuss the role for philanthropy in creating and protecting cohesive societies, in which individuals have a sense of belonging no matter their context.

b) Confirmed programme to shift philanthropic sector to be more systemic in Australia

Following on from our 2018 retreat in Australia, we worked with 5 of the Australian foundations to develop an Advisory group to inform future Australian/global collaboration. The 5 foundations will collaboratively fund several convenings and sharing of insights over the next 3 years. Significant time was spent together in 2019 planning the 2020 retreat.

c) Curating learning

Working on our focus areas for future work with foundations and producing a booklet which summarised our learning, to be shared globally.

Other convening activities:

d) Athens and Amsterdam SI Declaration workshops

In November 2018, SIX and 11 other partners in the Social Innovation Community (SIC) project published a #SIDeclaration: “The Lisbon Declaration – Social Innovation as a path to a sustainable, resilient and inclusive Europe”. This was endorsed by the Commissioner for Innovation. The declaration only serves its full potential if these practitioners and decision makers are able to unpack and translate it into back into city contexts. In January 2019 we hosted workshops in Athens (with the Deputy Mayor and key players in the city) and in Amsterdam (with key social innovation actors) to explore how the SI Declaration could be useful to them. This short film was produced in Athens –

<https://socialinnovationexchange.org/insights/building-social-innovation-cities-athens>

e) The SIX Global Wayfinder event

We spent time developing the Wayfinder model, in order to spread it globally. In the autumn of 2019, we agreed with some Canadian partners that we should aim to host the Wayfinder in Canada in 2020 focusing on transitions, and initial concept development began.

f) Unusual Suspects festival

We supported partners in Seoul to host their own Unusual Suspects festival in Seoul, South Korea. The UK has several festivals at the moment and so after careful market analysis, it was agreed by the Executive Board that we would not pursue a UK festival in 2019. The other goal of the Unusual Suspects concept was to tell the stories of the people who are unusual suspects, so we developed and launched the storytelling platform, and hosted events bringing some of the people featured in the films to meet each other.

2. Capacity building programmes

In 2019, we built our capacity building strand of work, going beyond the social innovation 101 training programmes we identified in our aims.

a) Social labs symposium in Hong Kong – Co-Creating the City: Innovating for Impact

SIX supporter the MaD team, based in HK to co-curate an international and local public sector innovation practitioners gathered in Hong Kong in the first event of its kind, the Jockey Club MaD Social Lab Symposium. In the context of Hong Kong – a divided society with growing resistance to government and the sense of powerlessness in the civil society – the MaD Social Lab serves as a new space for experimentation and, most importantly, dialogue among government, citizens and civil society to work together and re-imagine new public services and policies. SIX identified and brought four leading global public sector labs from around the world to Hong Kong for the local teams to learn from. We also produced a public lab insight series highlighting best practice, and common pitfalls in this work. The insight series was intended to share the insights with a global audience, beyond those who came to the event, and is listed in the section below.

b) Systems thinking training

We built on the social innovation 101 training programmes and we hosted 3 system thinking in practice training workshops for 12 staff in a UK foundation. A second cohort will participate in the second training.

c) Study tours

Our capacity building is not just focussed on ‘teaching and building skills’ but also on experiencing. Study tours for international groups is an important part of this learning. In 2019, for example, we organised for the Paul Ramsay Foundation (PRF) to meet many foundations in the UK. We understood PRFs needs, identified options of organisations for them to meet, set up the meetings and in some cases facilitated the dialogue.

d) New programme: Summer School for young people

In 2019, we developed the SIX Summer School – a 5-day long immersion programme designed to build the innovation capacity of young people to help them tackle pressing social issues, and to unleash their potential to be a changemaker! We designed this because we saw a gap in the market for young people aged 18–24 to meet other people from around the world and to access practical, experiential social innovation training. The first summer school was hosted in London, with 14 people from South Korea, Italy, and the UK. Further summer schools are planned for 2020.

3. Develop and share knowledge and insights

Sharing knowledge actively was a key strategic focus area in 2019. Below are some of the main highlights which we produced and shared widely with our network of 10,000+ global audience:

- We continue to regularly update and refresh the main SIX website, sharing our content and that of our partners. This enables us to reach and support more people in their innovation efforts.
- We focussed on growing social media presence in 2019, increasing our twitter followers by over 100 per month, and activating new platforms like Instagram to reach different audiences.
- Updating the SIX newsletter –we reviewed and updated the SIX main newsletter, to provide more useful and relevant content. As the sector grows, and more organisations get interested in social innovation, the importance of our role as curators increases. We have included a more personal commentary from the CEO at the beginning of each newsletter.

Highlights from SIX website:

- [The state of social innovation in 2019](#)
- [Climate of crisis and what this means for the social sector](#)
- [SIX Summary of the Systems Innovation Conference 2019](#)
- [Between the institution and the individual: What works for systems change \(part one\)](#)
- The [SIC yearbook](#) – Learning from SIC project and building social innovation communities.

Social Innovation Exchange

Report of the Executive Board

For the year ended 31 December 2019

- [Building social innovation in cities: Athens](#) (film)
- The Unusual Suspects Storytelling platform

Funders node – Retreat insights which were shared with all participants and our global:

- Philanthropy and the private sector –
https://socialinnovationexchange.org/sites/default/files/uploads/philanthropy_the_private_sector_2_page_insights.pdf
- Risk, legitimacy and philanthropy –
https://socialinnovationexchange.org/sites/default/files/uploads/risk_legitimacy_philanthropy_2_page_insights.pdf
- Social cohesion and the role of philanthropy –
https://socialinnovationexchange.org/sites/default/files/uploads/social_cohesion_the_role_for_philanthropy_2_page_insights.pdf

Articles in external magazines:

- [Future-fit philanthropy: why philanthropic organisations will need the foresight to leave lasting legacies of change](#), published in Alliance magazine
- [Three reflections after a year spent with funders](#), published in Alliance magazine
- [Why public servants need to get out of the office more](#) – published on Apolitical

Social Lab insights:

- [What happened at the Social Lab Symposium, Hong Kong?](#) – High level insights Summary and introduction
- Part I: What is a social lab? Why now? –
<https://socialinnovationexchange.org/insights/lab-exchange-part-i-why-social-lab-why-no>
- Part II: The “terrible” bureaucracy and saying “no” –
<https://socialinnovationexchange.org/insights/lab-exchange-part-ii-terrible-bureaucracy-and-saying-no>
- Part III: New narratives and culture shift –
<https://socialinnovationexchange.org/insights/lab-exchange-part-iii-new-narratives-and-culture-shift>
- Part IV: Co-creation and peer research –
<https://socialinnovationexchange.org/insights/lab-exchange-part-iv-co-creation-and-peer-research>

4. Building SIX organisation

2019 was a year of transition and development. Three European Commission projects closed in 2019 – Social Innovation Community, SEASIN, Common Good First. This meant some staff

Social Innovation Exchange

Report of the Executive Board

For the year ended 31 December 2019

changes occurred in 2019, and we restructured the core team accordingly. As a result, we focussed on delivering fewer high impact programmes and developing and delivering new capacity building programmes.

We improved communications capacity by hiring a new person with more digital and social media skills. This has enabled us to increase our reach, and engage with more unusual suspects beyond our established social innovation network.

Board retreat – In November, the trustees came together from all over the world for a two day ‘retreat’ to discuss SIX’s future direction. Since we are operating in a rapidly changing global climate, we need to focus on some areas more, and others less. A summary of the discussions and plan for 2020 is available below.

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.

For participants and people in our wider network, 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. For foundations, SIX provides challenging forums for them to step out of their day to day work, and to reflect on and question their own practice.

Financial review

The financial results are set out from page 18 onwards. SIX generated £432,744 of income and spent £386,864 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 2019 £132,500 (2018 £112,500) 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. We have short- and long-term challenges in 2019:

Short term:

- **Staff turnover** – In 2019, there was a staff change in SIX. Whilst this brings new ideas and perspectives, it takes a long time to recruit the right staff into a small team. This therefore impacts the time of the senior staff significantly.
- **Covid-19** – The pandemic poses potential challenges for SIX both financially and non-financially. We have identified the main projects / programmes that could be affected by Covid-19, and have put measures in place to manage and mitigate any potential risks. These measures include redesigning some of our programmes to include more online and bespoke activities. We have a strong cashflow management system in place, and we will continue to monitor and review our systems to manage and mitigate any risks posed by Covid-19.

Long term challenge:

- **EU/Brexit and future European projects** – Now the UK has left the EU, we have clarity that this will not impact on our existing EU funded projects. However it is unclear if we will be able to apply for European funding in the future.
- **Climate change** – Many of SIX's activities rely on international plane travel. However, in the age of climate change when many people are cutting down on flying, we need to consider how we deliver some of our activities. We need to develop a strategy of how to reduce the carbon footprint of our organisation.
- **Balancing business/strategy development with delivery** – We need to move to fewer but bigger programmes providing multi-year funding so we can better plan for the future. However, as a small organisation, it is a challenge to do this when many of the income streams are short term. 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 £291,386. The funds held over the reserves level, will help manage any C-19 related financial risks should they arise. The Board will review the reserve policy in the coming year, in light of increasing global concerns including Brexit and the climate emergency.

Plans for the future

2019 was a year of change at SIX. In November 2019, the Board came together for a 2 day 'retreat' meeting to discuss our strategy and plan for 2020 onwards. In 2020:

- **Activities:** Continue to do we do the activities that we are best known for, and where we have a good track record:
 - convening purposeful events;
 - running interactive and participatory capacity building programmes;
 - developing social innovation knowledge and insights and sharing them globally.

We should focus on replicating and deepening a few of our activities, rather than coming up with lots of new ideas.

- **Focus these activities around 6 strategic domains** (building on everything we have done in previous years)
 - Funders/foundations – philanthropy becomes more effective and authentic.
 - Universities – universities rethink their purpose/innovate their models.
 - Business – explore and share what motivates businesses to do good.
 - Policy – social innovation is supported policy (focus on lobbying/influencing in Europe and Asia).
 - Specialist SI institutions – grow the social innovation movement/mainstream social innovation.
 - Future SI leaders – grow the next generation of social innovation leaders.
- **Themes** – Pick some cross-cutting themes which can be applied to the strategic domains. These themes will help us avoid silo-ed working, make sure SIX is more than the sum of its parts. In 2020/21 these themes will be:
 - Power (Making SI less elite, rebuilding trust in institutions/ new social contract between citizens and institutions).
 - Just transitions (This can be a Wayfinder theme).
 - Technology/Digital (Tech companies vs civil society/role of philanthropy).

- **SIX community and network** – in 2020 we need to work hard to understand our network better and review how we work together to support more collaboration, specifically the SIX 100 and Global Council.
- **Board and Governance** – Several Board members are up for election in January 2020 and four will be entering the third term. This is an opportunity to look at the skills and experience we need on the Board, and match them better to our six strategic domains.

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.

Social Innovation Exchange

Report of the Executive Board

For the year ended 31 December 2019

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 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 31 March 2020 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 2019.

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.

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: 9 April 2020

Social Innovation Exchange

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

For the year ended 31 December 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Income from:							
Donations and legacies	2	311,689	121,055	432,744	385,057	244,582	629,639
Other income	3	–	–	–	12,922	–	12,922
Total income		311,689	121,055	432,744	397,979	244,582	642,561
Expenditure on:							
Raising funds	4	26,949	–	26,949	37,720	–	37,720
Charitable activities	4	238,861	121,055	359,916	251,358	244,582	495,940
Total expenditure		265,810	121,055	386,865	289,078	244,582	533,660
Net income / (expenditure) for the year	5	45,879	–	45,879	108,901	–	108,901
Transfers between funds		(8,689)	8,689	–	–	–	–
Net movement in funds		37,190	8,689	45,879	108,901	–	108,901
Reconciliation of funds:							
Total funds brought forward		254,195	(8,689)	245,506	145,294	(8,689)	136,605
Total funds carried forward		291,385	–	291,385	254,195	(8,689)	245,506

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 16 to the financial statements.

Balance sheet

Company no. 08364475

As at 31 December 2019

	Note	£	2019 £	£	2018 £
Fixed assets:					
Tangible assets	11		1,398		3,080
			1,398		3,080
Current assets:					
Debtors	12	249,977		224,294	
Cash at bank and in hand		129,810		117,926	
			379,787	342,220	
Liabilities:					
Creditors: amounts falling due within one year	13	(89,800)		(99,794)	
Net current assets			289,987		242,426
Total net assets			291,385		245,506
The funds of the charity:	17				
Restricted income funds in deficit			-		(8,689)
Unrestricted income funds:					
General funds		291,385		254,195	
Total unrestricted funds			291,385		254,195
Total charity funds			291,385		245,506

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 31 March 2020 and signed on their behalf by



Marcello Palazzi
Chair

Social Innovation Exchange

Statement of cash flows

For the year ended 31 December 2019

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

	2019 £	2018 £
Net income for the reporting period (as per the statement of financial activities)	45,879	108,901
Depreciation charges	1,682	1,213
(Increase) in debtors	(25,683)	(59,707)
(Decrease) in creditors	(9,994)	(53,763)
Net cash provided by / (used in) operating activities	11,884	(3,356)

	2019 £	£	2018 £	£
Cash flows from operating activities				
Net cash provided by / (used in) operating activities		11,884		(3,356)
Cash flows from investing activities:				
Purchase of fixed assets	–		(2,054)	
Net cash provided by / (used in) investing activities		–		(2,054)
Change in cash and cash equivalents in the year		11,884		(5,410)
Cash and cash equivalents at the beginning of the year		117,926		123,336
Cash and cash equivalents at the end of the year		129,810		117,926

Analysis of cash and cash equivalents

	At January 1 2019 £	Cash flows £	Other changes £	At 31 December 2019 £
Cash at bank and in hand	117,926	11,884	–	129,810
Total cash and cash equivalents	117,926	11,884	–	129,810

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.

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, or if it is an item of computer equipment. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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

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

● Computer equipment	3 years
----------------------	---------

m) Debtors

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

n) Cash at bank and in hand

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

o) Creditors

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

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

p) Pensions

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

2 Income from donations and legacies

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Gifts and donations	179,189	121,055	300,244	251,708	244,582	496,290
Global Council	132,500	–	132,500	133,349	–	133,349
	<u>311,689</u>	<u>121,055</u>	<u>432,744</u>	<u>385,057</u>	<u>244,582</u>	<u>629,639</u>

3 Other income

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Other events	–	–	–	12,922	–	12,922
	<u>–</u>	<u>–</u>	<u>–</u>	<u>12,922</u>	<u>–</u>	<u>12,922</u>

The 'Other events' income received in 2018 was the reimbursement of expenses incurred by Social Innovation Exchange for a partner organisation to facilitate an event in Istanbul. Similar event did not take place in 2019.

Social Innovation Exchange

Notes to the financial statements

For the year ended 31 December 2019

4a Analysis of expenditure (current year)

	Charitable activities							
	Cost of raising funds £	Events and convening £	Knowledge and insights £	Capacity building £	Support costs £	Governance costs £	2019 Total £	2018 Total £
Staff costs (Note 6)	13,777	110,219	68,886	55,109	19,288	8,266	275,545	272,825
Other HR costs	–	–	–	–	–	25,093	25,093	103,606
Professional fees	–	–	–	–	999	–	999	1,597
Event costs	12,007	–	–	–	–	–	12,007	20,995
Travel and subsistence	1,165	9,318	5,824	4,659	1,631	699	23,296	61,671
Office costs	–	–	–	–	–	32,497	32,497	43,050
IT	–	–	–	–	–	5,406	5,406	26,103
Depreciation	–	–	–	–	–	1,682	1,682	1,213
fees	–	–	–	–	10,340	–	10,340	2,600
	26,949	119,537	74,710	59,768	32,258	73,643	386,865	533,660
Support costs	–	16,128	8,065	8,065	(32,258)	–	–	–
Governance costs	–	36,821	18,411	18,411	–	(73,643)	–	–
Total expenditure 2019	26,949	172,486	101,186	86,244	–	–	386,865	–
Total expenditure 2018	37,720	214,394	177,930	103,616	–	–	–	533,660

Social Innovation Exchange

Notes to the financial statements

For the year ended 31 December 2019

4b Analysis of expenditure (prior year)

	Charitable activities						
	Cost of raising funds £	Events and convening £	Knowledge and insights £	Capacity building £	Support costs £	Governance costs £	2018 Total £
Staff costs (Note 6)	13,641	109,130	68,206	54,565	19,098	8,185	272,825
Other HR costs	–	7,160	57,588	–	38,858	–	103,606
Professional fees	–	–	–	–	1,597	–	1,597
Event costs	20,995	–	–	–	–	–	20,995
Travel and subsistence	3,084	24,668	15,418	12,334	4,317	1,850	61,671
Office costs	–	–	–	–	–	43,050	43,050
IT	–	–	–	–	–	26,103	26,103
Depreciation	–	–	–	–	–	1,213	1,213
Accountancy and IE fees	–	–	–	–	2,600	–	2,600
	37,720	140,958	141,212	66,899	66,470	80,401	533,660
Support costs	–	33,235	16,618	16,617	(66,470)	–	–
Governance costs	–	40,201	20,100	20,100	–	(80,401)	–
Total expenditure 2018	37,720	214,394	177,930	103,616	–	–	533,660

5 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2019 £	2018 £
Depreciation	1,682	1,213
Operating lease rentals:		
Property	28,800	31,798
Independent examiner's remuneration (excluding VAT):		
Independent examination	2,700	2,600
Other services	5,400	-

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

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	241,625	239,624
Social security costs	21,602	21,075
Employer's contribution to defined contribution pension schemes	12,319	12,126
	275,546	272,825

One employee earned more than £60,000 during the year (2018: one).

The total employee benefits including pension contributions and employer's national insurance of the key management personnel were £127,546 (2018: £148,701).

The Executive Board were not paid or did not receive any other benefits from employment with the charity in the year (2018: £nil). No Executive Board member received payment for professional or other services supplied to the charity (2018: £nil).

The Executive Board's expenses represents the payment or reimbursement of travel and subsistence costs totalling £354 (2018: £1,386) incurred by 1 (2018: 1) member relating to attendance at meetings of the trustees.

7 Staff numbers

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

	2019 No.	2018 No.
Raising funds	1.0	1.0
Charitable activities	5.0	5.0
Support and governance	1.0	2.0
	<u>7.0</u>	<u>8.0</u>

8 Related party transactions

There were no related party transactions in 2019. (2018: Andres Cosarinsky, a close family member to one of the trustees (Martin Cosarinsky), was paid £2,368 in relation to consultancy services. The transaction was undertaken at market rates).

9 Taxation

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

10 Tangible fixed assets

	Computer equipment £	Total £
Cost or valuation		
At the start of the year	9,371	9,371
Additions in year	-	-
	<u>9,371</u>	<u>9,371</u>
At the end of the year		
	<u>9,371</u>	<u>9,371</u>
Depreciation		
At the start of the year	6,291	6,291
Charge for the year	1,682	1,682
	<u>7,973</u>	<u>7,973</u>
At the end of the year		
	<u>7,973</u>	<u>7,973</u>
Net book value		
At the end of the year	1,398	1,398
	<u>1,398</u>	<u>1,398</u>
At the start of the year	3,080	3,080
	<u>3,080</u>	<u>3,080</u>

All of the above assets are used for charitable purposes.

11 Debtors

	2019 £	2018 £
Trade debtors	208,366	165,352
Prepayments	3,400	1,000
Accrued income	38,211	57,942
	<u>249,977</u>	<u>224,294</u>

12 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	13,184	28,941
Taxation and social security	10,098	8,006
Accruals	7,510	4,857
Deferred income (note 14)	59,008	57,990
	<u>89,800</u>	<u>99,794</u>

13 Deferred income

Deferred income comprises of £10,000 received in 2018 for use towards the Global Council Partnership in 2020, and from Technische Universitaet Muenchen received in 2019 towards SCALINGS, which will be spent in 2020.

	2019 £	2018 £
Balance at the beginning of the year	57,990	128,294
Amount released to income in the year	(47,990)	(128,294)
Amount deferred in the year	49,008	57,990
	<u>59,008</u>	<u>57,990</u>

14 Pension scheme

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £12,319 (2018: £12,126).

15a) Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,398	–	1,398
Net current assets	288,589	–	288,589
Net assets at the end of the year	289,987	–	289,987

15b) Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Tangible fixed assets	3,080	–	3,080
Net current assets	251,115	(8,689)	242,426
Net assets at the end of the year	254,195	(8,689)	245,506

16a) 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)	8,287	8,287	1,343	–
SCALINGS	–	28,474	28,474	–	–
SEASIN	(7,346)	18,705	18,705	7,346	–
Other restricted – SIC	–	32,001	32,001	–	–
SIKE (Social Innovation for Knowledge Exchange)	–	33,588	33,588	–	–
Total restricted funds	(8,689)	121,055	121,055	8,689	–
Total unrestricted funds	254,195	311,689	265,810	(8,689)	291,385
Total funds	245,506	432,744	386,865	–	291,385

16b) 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	(1,343)	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)	244,583	244,583	–	(8,689)
Total unrestricted funds	145,294	397,979	289,078	–	254,195
Total funds	136,605	642,562	533,661	–	245,506

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. This fund came to an end in 2018.

Transfers

The Common Good and SEASIN projects both came to an end in 2019. Transfers of £1,343 and £7,346 respectively were made from unrestricted funds to cover the overspend.

17 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 2019 £	2018 £
Less than one year	-	22,000
One to five years	-	-
	<hr/>	<hr/>
	-	22,000
	<hr/>	<hr/>

The property lease agreement came to an end in November 2019, and is in the process of being renegotiated. Rent is currently being paid on a rolling-month basis.

18 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.