

Registration number: 9380418

Finance Innovation Lab

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2015

Finance Innovation Lab
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The following pages do not form part of the statutory financial statements:

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Finance Innovation Lab
Company Information

Directors	Alan Robert Hodgkinson Susan Charman Bruce Michael Davis Christine Jane Berry James Carmine Anthony Vaccaro
Registered office	10 Queen Street Place London EC4R 1BE
Auditors	Stewart & Co Chartered Accountants
Accountants	Moneypad Limited

Finance Innovation Lab

Directors' Report for the Year Ended 31 December 2015

Directors' Report for the Year Ended 31 December 2015

The Finance Innovation Lab is a catalyst for a more responsible, fair and democratic financial system. We convene communities of innovators, campaigners and intrapreneurs who are changing the financial system, we connect them, and we build their capacity to lead change.

2015 was a milestone year for the Lab. We moved from being a joint project of the World Wildlife Fund (WWF-UK) and the Institute of Chartered Accountants in England and Wales (ICAEW) to being an independent company limited by guarantee. The company was registered on 8 January 2015 and assets and staff were transferred to the company on 1 July 2015.

During 2015 we also applied to become a charity. Our registration was approved by the Charity Commission and we became a registered charity on 22 January 2016. For this reason, our 2015 accounts are presented for a company limited by guarantee.

What did the Lab do in 2015?

This report covers our activities from July to December 2015 as an independent entity. In addition to establishing the staffing, operations and governance of the new organisation, during this period we:

- Published a working paper (co-authored by the Lab) for the UN Inquiry into the Design of a Sustainable Finance System: *Values Based Banking - Bringing the voice of the citizen into finance*
- Ran a workshop in Paris on behalf of Finance Watch, bringing climate activists and financial reform campaigners together in Paris to identify the overlaps and gaps in their work, in the build up to the COP21 climate talks
- Reviewed and redeveloped our work with innovators, leading to the launch of the new Lab Fellowship programme in 2016
- Worked with Transforming Finance members to host a parliamentary breakfast briefing for MPs and peers on banking reform
- Hosted a major participative event to launch the newly independent Lab, review the progress made so far to change the financial system, and generate momentum for the next phase of the Lab's work.

Where did our money come from?

In 2015 we received income from the following sources:

Grants and donations

- WWF-UK - £84,825
- ICAEW - £50,000
- Joseph Rowntree Charitable Trust - £30,000
- Friends Provident Foundation - £40,120
- General donations - £100

Consultancy income

- Finance Watch - £1,750 (consultancy payment for climate finance workshop)

Other income

- ICAEW - £10,000 (use of brand)

Interest received - £47

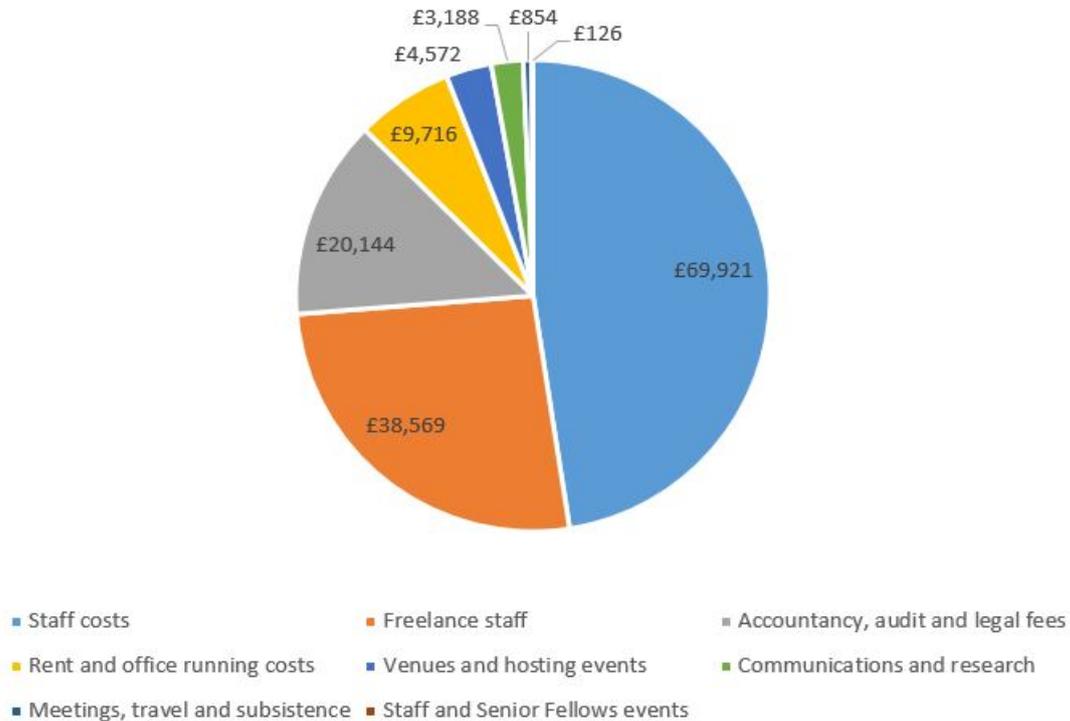
What did we spend our money on?

Our biggest cost is our team: the talented people who design and deliver the Lab's activities. After becoming an independent organisation, we appointed a new staff team, with three permanent members of staff in place by September 2015. Three former members of the Lab team worked alongside the new team on a freelance basis for the remainder of the year, ensuring that the know-how and learning from the Lab was not lost in transition.

Finance Innovation Lab
Directors' Report for the Year Ended 31 December 2015

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2015 Expenditure		
Staff costs	£69,921	47%
Freelance staff	£38,569	26%
Accountancy, audit and legal fees	£20,144	14%
Rent and office running costs	£9,716	7%
Venues and hosting events	£4,572	3%
Communications and research	£3,188	2%
Meetings, travel and subsistence	£854	1%
Staff and Senior Fellows events	£126	< 1%
Total	£147,090	



The directors present their report and the financial statements for the year ended 31 December 2015.

Incorporation

The company was incorporated on 8 January 2015 and commenced trading on 1 July 2015 .

Directors of the company

The directors who held office during the year were as follows:

Alan Robert Hodgkinson (appointed 8 January 2015)

Susan Charman (appointed 8 January 2015)

Finance Innovation Lab
Directors' Report for the Year Ended 31 December 2015

..... *continued*

Bruce Michael Davis (appointed 8 January 2015)

Christine Jane Berry (appointed 8 January 2015)

James Carmine Anthony Vaccaro (appointed 8 January 2015)

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 27 September 2016 and signed on its behalf by:

.....
Susan Charman
Director

Finance Innovation Lab

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent Auditor's Report to the Members of Finance Innovation Lab

Independent Auditor's Report to the Members of Finance Innovation Lab

We have audited the financial statements of Finance Innovation Lab for the period ended 31 December 2015 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of
Finance Innovation Lab**

..... continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

.....
Gary Robinson (Senior Statutory Auditor)
For and on behalf of Stewart & Co Chartered Accountants, Statutory Auditor
Knoll House
Knoll Road
Camberley
Surrey
GU15 3SY

27 September 2016

Finance Innovation Lab
Income and Expenditure for the Year Ended 31 December 2015

	Note	2015 £
Turnover		216,795
Cost of sales		<u>(50,093)</u>
Gross Surplus / (Deficit)		166,702
Administrative expenses		<u>(96,997)</u>
Operating Surplus / (Deficit)	2	69,705
Other interest receivable and similar income		<u>47</u>
Surplus / (Deficit) on ordinary activities before taxation		<u>69,752</u>
Surplus / (Deficit) for the financial year	7	<u><u>69,752</u></u>

The notes on pages 10 to 12 form an integral part of these financial statements.

Finance Innovation Lab
(Registration number: 9380418)
Balance Sheet at 31 December 2015

	Note	2015 £
Fixed assets		
Tangible fixed assets	3	3,056
Current assets		
Debtors	4	3,165
Cash at bank and in hand		81,641
		84,806
Creditors: Amounts falling due within one year	5	(18,110)
Net current assets		66,696
Net assets		69,752
Capital and reserves		
Income and Expenditure account	7	69,752
Shareholders' funds		69,752

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2015).

Approved and authorised for issue by the Board on 27 September 2016 and signed on its behalf by:

.....
Susan Charman
Director

Finance Innovation Lab

Notes to the Financial Statements for the Year Ended 31 December 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Going concern

The accounts have been prepared on a going concern basis. The company's ability to continue as a going concern is dependent on its ability to secure future core funding. The company is currently in the second stage of a core funding application with a charitable foundation and will only learn if this has been successful in December 2016. In the meantime, the company is scaling back its operations to ensure that it can wind up its operations in a responsible manner if that becomes necessary. As a result of the proposed restructuring and the decision not to recruit until further funding is secured, our projections indicate a positive cash balance until the end of December 2017.

Turnover

Turnover comprises grants and donations, and amounts chargeable in respect of the sale of goods and services to customers.

Income from grants is recognised when entitlement is demonstrable, there is certainty regarding the amount and any conditions attached are wholly within the control of the Company.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Plant and Machinery	25% straight line basis

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

2 Operating Surplus

Operating Surplus is stated after charging:

	2015 £
Auditor's remuneration - The audit of the company's annual accounts	1,200
Depreciation of tangible fixed assets	304
	<u>1,504</u>

Finance Innovation Lab

Notes to the Financial Statements for the Year Ended 31 December 2015

..... *continued*

3 Tangible fixed assets

	Plant and machinery £	Total £
Cost or valuation		
Additions	3,360	3,360
Depreciation		
Charge for the year	<u>304</u>	<u>304</u>
Net book value		
At 31 December 2015	<u><u>3,056</u></u>	<u><u>3,056</u></u>

4 Debtors

	2015 £
Trade debtors	1,850
Other debtors	<u>1,315</u>
	<u><u>3,165</u></u>

5 Creditors: Amounts falling due within one year

	2015 £
Trade creditors	3,929
Other creditors	<u>14,181</u>
	<u><u>18,110</u></u>

6 Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

Finance Innovation Lab

Notes to the Financial Statements for the Year Ended 31 December 2015

..... *continued*

7 Reserves

	Income and Expenditure account £	Total £
Surplus for the year	<u>69,752</u>	<u>69,752</u>
At 31 December 2015	<u><u>69,752</u></u>	<u><u>69,752</u></u>

8 Post balance sheet events

The company was registered as a charity with the charity commission from 22 January 2016.

9 Related party transactions

Other related party transactions

During the year the company made the following related party transactions:

WWF-UK

(Susan Charman a director of the Finance Innovation Lab is also an employee at WWF-UK)

During the year WWF-UK donated £84,825 in the form of a grant to The Finance Innovation Lab. At the balance sheet date the amount due (to)/from WWF-UK was £nil.

ICAEW

(Alan Robert Hodgkinson a director of The Finance Innovation Lab is also a director of ICAEW)

During the year ICAEW donated £50,000 in the form of a grant to The Finance Innovation Lab. An additional £10,000 was paid to The Finance Innovation Lab for use of its brand. At the balance sheet date the amount due (to)/from ICAEW was £nil.

Finance Innovation Lab

Detailed Income and Expenditure Account for the Year Ended 31 December 2015

	2015	
	£	£
Turnover (analysed below)		216,795
Cost of sales (analysed below)		<u>(50,093)</u>
Gross surplus		<u>166,702</u>
Gross surplus (%)		76.89%
Administrative expenses		
Employment costs (analysed below)	(24,400)	
Establishment costs (analysed below)	(8,202)	
General administrative expenses (analysed below)	(64,003)	
Finance charges (analysed below)	(88)	
Depreciation costs (analysed below)	<u>(304)</u>	
		(96,997)
Other interest receivable and similar income (analysed below)		<u>47</u>
Surplus on ordinary activities before taxation		<u><u>69,752</u></u>

Finance Innovation Lab

Detailed Income and Expenditure Account for the Year Ended 31 December 2015

	2015 £
Turnover	
Sales, UK	11,750
Grants and subsidies	205,045
	<u>216,795</u>
Cost of sales	
Venue and hosting costs	4,572
Wages and salaries	41,667
Staff NIC (Employers)	3,854
	<u>50,093</u>
Employment costs	
Wages and salaries	23,001
Staff NIC (Employers)	1,372
Staff welfare	27
	<u>24,400</u>
Establishment costs	
Rent	7,912
Insurance	290
	<u>8,202</u>
General administrative expenses	
Telephone and fax	611
Computer software and maintenance costs	327
Printing, postage and stationery	184
Meeting and non-training related conferences	232
Trade subscriptions	113
Accountancy fees	8,187
Auditor's remuneration - The audit of the company's annual accounts	1,200
Consultancy fees	38,569
Legal and professional fees	10,757
Photography and filming	3,050
Communication and research	25
Travel and subsistence	622
Staff entertaining (allowable for tax)	97
Customer entertaining (disallowable for tax)	29
	<u>64,003</u>
Finance charges	
Bank charges	88

Finance Innovation Lab

Detailed Income and Expenditure Account for the Year Ended 31 December 2015

..... *continued*

	2015 £
Depreciation costs	
Depreciation of plant and machinery	<u>304</u>
Other interest receivable and similar income	
Other interest receivable	<u>47</u>
	<u>47</u>