



## **Annual Report and Financial Statements**

(A company limited by guarantee)

31 December 2019

Company Registration Number  
9380418 (England and Wales)

Charity Registration Number  
1165269 (England and Wales)

## Contents

### Reports

Reference and administrative information	1
Trustees' report	2
Statement of Trustees' responsibilities	16
Independent auditor's report	17

### Financial statements

Statement of financial activities	20
Balance sheet	21
Notes to the financial statements	22

## Reference and administrative details

<b>Trustees</b>	Brhmie Balaram Christopher (Kit) Beazley Simon Borkin Katherine Boswell David Carrington (Vice Chair) Susan Charman (Chair) Mikael Down Nana Francois Casey Lord Laurie Macfarlane Katherine Ormiston Smith (Treasurer) Amit Shah Marsha Taylor-Daniel
<b>Chief Executive Officer</b>	Anna Laycock (resigned 10/06/2020) Jesse Griffiths (appointed 27/04/2020)
<b>Principal Address</b>	Hubhub 20 Farringdon Street London EC4A 4EN
<b>Company registration number</b>	9380418
<b>Charity registration number</b>	1165269
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Principal bankers</b>	Unity Trust Bank PO Box 7193 Planetary Road Willenhall WV1 9DG

## Trustees' report Year ended 31 December 2019

The Trustees, who are Directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2019.

The accounts have been prepared in accordance with the accounting policies set out on pages 22 to 24 and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principles set out in 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 United Kingdom and Republic of Ireland (FRS 102) have been followed in the preparation of this report and accounts.

### **Our purpose**

The Finance Innovation Lab incubates the people and the ideas that can change the financial system for the better.

Our vision is a financial system that serves people and planet – one that's democratic, responsible and fair.

Democratic      a more diverse financial system, where people have a greater sense of control over their money

Responsible      capital flows to the places, people and projects that are creating positive impact on society and the environment

Fair                a financial system that facilitates a just society

### **The need**

Our financial system has become disconnected from the real needs of people, the economy and the environment. Instead of serving society, it serves itself. Ordinary people have little say in how finance works, with millions excluded from the system altogether. Decisions are made on the basis of short-term profit for some, not long-term value for all. Money flows to activities that harm communities and the natural world. Dysfunctions in the financial system lie at the heart of many of today's challenges, from fossil fuel dependence to structural inequality.

It doesn't have to be this way.

Finance is a human system; a network of relationships designed to achieve certain goals, informed by a worldview and set of values that shape the purpose and direction of the system. The consolidation of power in the system can make it seem impossible to shift, but we do not have to be passive recipients of history.

People created the system and people can change it. We can transform the financial system so that it puts people and planet first.

### What we do

Because finance is a complex system, changing one organisation or policy isn't enough. We need to address the values and norms that shape the landscape, reform the regulations and institutions that set the rules of the game, and cultivate the niches of innovation that can disrupt the status quo. There's no blueprint for this scale of transformation; instead, we act as a catalyst, seeding change efforts across the system and connecting them to each other.

We build communities of people who are changing the financial system, develop them as leaders and help them increase their impact. We work with:

- ◆ Innovators creating new business models in finance;
- ◆ Policymakers, regulators and civil society organisations changing the rules of the game; and
- ◆ Intrapreneurs inside mainstream finance who want to transform their organisations.

Our work is human-centred and positive; we focus on empowering and connecting open and willing changemakers, rather than convincing others of the need for change. We bring to this work our power to convene influential actors, our transformative facilitation and leadership development skills, and our thought leadership in financial systems change.

### Charitable objects

The objects of the Charity are for the public benefit:

1 The promotion of ethical principles in financial systems for the public benefit including (but not limited to) by:

1.1 Advancing education and promoting research into the UK and international financial systems and their constituent elements including in particular, areas of change and innovation within those systems, emergent trends, new financial business models and impacts of investments on society and the environment; and publishing or otherwise disseminating the results of such research and providing a forum for its discussion;

1.2 Promoting sustainable development by:

a. promoting the preservation and conservation of the natural environment and the prudent use of natural resources and ecological processes; and

b. promoting sustainable means of achieving economic progress and regeneration.

In this context, "sustainable development" means development that meets the needs of the present generation without compromising the ability of future generations to meet their needs.

2 Relief of poverty and improving the conditions of life in socially and economically disadvantaged communities.

### Public benefit

The Trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

### **Our work in 2019**

In 2019 we continued to make significant progress in delivering our strategy for systems change in finance. We delivered our third Fellowship programme, further developed our work with intrapreneurs influencing change within mainstream finance, and grew our community of practice to over 600 members. We secured funding for our work advocating for regulation and policy that puts social purpose at the heart of the emerging data-driven system and does not intensify exclusion, exploitation or inequality. As planned, 2019 also saw both the recruitment of our new Chief Operating Officer and a revitalisation of our Board as we welcomed 10 new Trustees. In September, we also began working with our first volunteer, supporting us with fundraising.

### **Incubating purpose-led innovators**

#### ***What we did***

From January to September we ran our third Fellowship programme for early stage innovators in finance. We supported 14 Fellows from 10 organisations to test and refine their propositions, build purpose-driven business strategies, develop their leadership capabilities and networks of support, and pioneer the responsible use of data in finance.

Fellows' projects included: an app that enables people to spend their money in ways that reduce their carbon impact and to encourage businesses to improve their environmental practices; a mutual credit system that enables businesses to trade without the need to depend on the extractive monetary system, and a platform that works with credit unions to improve their loan approval processes and increase member engagement so that more people who need to can access affordable credit. We designed and delivered the responsible data component of the programme in partnership with organisations including the Ada Lovelace Institute, DataKind, Doteveryone, New Economics Foundation and the Open Data Institute.

The Fellowship culminated in 'demo day' where Fellows sought financial and non-financial support. The event was oversubscribed and generated a record 219 pledges of support to the Fellows' 10 projects in response to their calls to action.

#### ***The difference we made***

A full evaluation of the 2019 Fellowship is underway. Analysis of survey data suggests that Fellows valued the programme's focus on social and environmental purpose – for their leadership, their proposition, and their business strategy – and that they saw some of the biggest gains in their skills in these areas. They also made strong progress in skills to communicate effectively about their work and they placed a high value on the community of peers that we provide, which proves to be a huge source of support for challenging the status quo.

*The Lab has helped me to get to grips with our real purpose, and guided me in what that means for our company's business model, strategy and systems. Being a Fellow has also helped me in more unexpected ways... I think I'm a more compassionate team member and leader now, and I've made friends for life who I will always be able to rely on for mutual support and challenge.*

Fellowship 2019 participant

### **Incubating purpose-led innovators** (continued)

#### ***The difference we made*** (continued)

As a result of the support received during the Fellowship and through our ongoing community programme our Fellows continue to develop and succeed. External recognition of their work has seen, for example, one Fellow organisation being selected for the FCA's Green Fintech Challenge and another being selected as a finalist of HM Treasury's Affordable Credit Challenge.

*Finance Innovation Lab are extremely well-connected to a large community of decision-makers, influencers and supporters in the 'for-good' finance sector. One of the key connections they made for us was with a large business and consumer organisation that ended up being our key strategic partner for launching our core product in the UK. With them coming on board, we had warm introductions to 100s of potential customers and 1000s of users, and three other strategic partners joined after hearing about the success with the first one. Truly a game-changing event for us - thanks FIL!*

Fellowship 2019 participant

### **Supporting intrapreneurs**

#### ***What we did***

Our intrapreneurship programme, which began in late 2018, takes a test-and-learn approach to supporting mainstream finance professionals to lead transformative change within their institutions, with a focus on the UK banking sector.

The questions we explored during 2019 included why, when and how it is most effective for us to engage with mainstream finance professionals and their institutions, and what type of support is most effective in helping intrapreneurs to create tangible, purpose-driven innovation in their organisation.

Test interventions have included events, webinars and one-to-one leadership coaching sessions with mainstream finance professionals; two training workshops on purpose-led innovation, and two partnership projects with incumbent banks on systemic innovation and building a purpose-led bank. In September 2019, we facilitated the first Climate Safe Learning Lab convening in New York as part of the Climate Safe Lending Network. The convening coincided with New York Climate Week, the UN General Assembly and the launch of the UN Principles for Responsible Banking. Twenty-one mid-level and senior bankers from nineteen systemically important banks spent a full day exploring the behavioural and cultural barriers they experience in advancing the climate finance agenda within their bank and developing solutions to overcome them. Six months later, participants reported to us that the Climate Safe Learning Lab had a significant impact on their confidence and ability to influence at senior levels.

*Thank you so very much for the Climate Safe Learning Lab event during Climate Week... It has had such an impact on me, and it changed my perspective as I think about my moving my work forward on this [climate] issue. Those kinds of opportunities to pause, consider one's personal connection to this issue, and explore new ways to advance our work internally are so few and far between—if not totally absent. I can't tell you how meaningful and useful it was to me.*

Climate Safe Learning Lab participant

### Supporting intrapreneurs (continued)

#### *What we did (continued)*

We continued to build credibility within mainstream finance and share our insights; our explorations of the dangers of purpose-washing and the difference between social and systemic innovation have been particularly influential. As a result, we were asked to speak at a June 2019 roundtable on the purpose of retail banking as part of the FCA's Purpose in Financial Services working group, with an audience of twenty C-level executives of UK banks and building societies, five industry associations and seven civil society organisations and universities.

#### *The difference we made*

In 2019, this work has built an active network of 57 engaged intrapreneurs, with a pipeline of 37 more, and built consultancy relationships with two systemically important banks.

Our work continues to uncover and demonstrate the power of peer learning in this space. For example, at the Climate Safe Lending Lab, participants' sense of support from a community of aligned peers increased by 29% during the course of the day, and there was a 26% increase in those who had a clear action plan for overcoming the barriers to change within their institutions.

*If there were another one of the many large conferences I am asked to attend hosted at the same time as this type of peer lab, I would skip the conference and drive, walk, take the bus to this Lab. This is so much more relevant to me and my work.*

Climate Safe Lending Lab participant

Having synthesized the learning from our pilot initiatives, the emerging structure of our intrapreneurship programme involves interdependent work at three scales: individuals, institutions and system.

- ◆ **Individuals:** building a community of practice and growing the capacity of intrapreneurs in collaborative leadership and purpose-driven financial innovation through training and development programmes.
- ◆ **Institutions:** working in strategic partnership (consultancy) with institutions to support the transformation of strategy, operations and culture to align with positive outcomes for people and planet.
- ◆ **System:** influencing shifts in industry and regulatory narratives through codifying and sharing insights on the barriers and enablers of institutional transformation and systemic intrapreneurship.

Our testing has shown the importance of working on all three levels, and we will continue to build a community of practice for intrapreneurs, offering peer coaching and training opportunities, alongside working in strategic partnership with two major banks in depth. The learning from both of these things will inform the insights we share to influence regulatory and industry narratives.

*Between the environment you created and the responsiveness of a few of the group, there was a stunning sense of honesty, humility and generosity...[I] feel like I'm beginning to make progress on the inner journey in a way that builds upon the outer journey.*

Peer learning workshop participant

## Building our community

### **What we did**

May 2019 saw the launch of the Lab's new community strategy, with a target of adding 150 new members to our community by the end of 2020. Following a structured onboarding process, community members have access to matchmaking with potential collaborators, a mutual mentoring programme, a programme of community events, and peer learning 'community clusters' on topics such as responsible data use. In 2019, we onboarded 105 new members – ahead of target – growing our community of practice to over 600 financial changemakers.

*I just wanted to say thank you so much to you and your colleagues for hosting such a great event on Tuesday. It was without a doubt the most interesting and enjoyable event I've been to in all my time working in finance and everyone I met was really engaging and inspiring – looking forward to the next one!*

Women in Financial innovation event participant

We sought to put diversity at the heart of our community strategy, beginning with our Women in Financial Innovation network (188 members at 31 December 2019) which enables women to share the barriers they face in the sector and collaborate around opportunities to change the gender balance in finance. We built on our experience to host an event for people of colour working in financial innovation, where participants shared their experiences and generated ideas for change.

*You ran a fantastic session and made it super comfortable to share personal stories. I was blown away with the breadth of challenges people face. Next step: change (right up your street).*

People of Colour event participant

### **The difference we made**

In 2019, we facilitated 200 connections between community members across the financial system, resulting in collaboration, peer-learning and partnerships.

*The FIL community has been impressive in terms of connections. Within a week of joining, they had connected me with a handful of people, all highly relevant to my work. Even better, I found a community of people who genuinely want to move finance towards being a force for good, and are not merely paying lip service to good causes.*

Community member

Our events supporting women and people of colour in financial innovation not only supported attendees by building community within these groups, but also unearthed useful insights and fresh perspectives about how to build a more inclusive financial system. A briefing we produced after our event for people of colour in financial innovation has been widely shared by attendees and others, leading to invitations to share our insights on multiple platforms including at a Chartered Banker Institute event and the Pioneers Post's WISE100 Conference. Meanwhile, the briefing we produced in 2018 on women in financial innovation continues to be used by organisations working towards gender equality in finance.

### **Building our community** (continued)

#### ***The difference we made*** (continued)

*One of the highlights of 2019 has to be sharing the [my] story whilst joining a small focus group at The Finance Innovation Lab's 'people of colour in finance' event. Thank you... for bringing so many great people of colour within the finance sector together. We discussed the different barriers people of colour face when working in finance and what enablers we have within our communities to overcome them.*

People of Colour event participant

*Thanks for the briefing, it's so aligned with what we are trying to do it could not be more useful for us.*

Peer organisation

### **Advocacy and influencing**

#### ***What we did***

We have seen progress in regulators' attitudes to purpose-driven innovation, their understanding of the environmental impacts of finance, and their awareness of the need for responsible data use.

The launch of the government's Green Finance Strategy in July 2019 included plans for a Green Finance Education Charter, which has since been developed by our partners the Chartered Banker Institute, among other bodies. Having played a formative role in the Institute's approach to green finance (by authoring their original course materials) we were invited to speak at the launch of the Charter.

At the end of 2019, we were in the final stages of developing a new programme to advocate for social and environmental purpose to be placed at the heart of data-driven changes in finance (note: funding for this was secured in early 2020). We will build the capacity of civil society organisations to engage with the rapidly emerging data-driven finance agenda, and coordinate an advocacy coalition that will amplify the voices of organisations fighting against environmental damage and social inequality. New technologies (and related policies) offer an opportunity to shift the values and power relationships underpinning finance, so that the future of finance supports a caring, just, resilient and green economy. Without this work, a rapid digital transition in finance risks entrenching problems of exclusion and exploitation.

We are also trying to fundraise to support a community of financial policy intrapreneurs as part of this, but this element is proving more challenging.

#### ***The difference we made***

Following a submission we made to the FCA's consultation on Climate Change and Green Finance in 2018, we were pleased to see that their feedback statement in June 2019 included a number of themes that were raised in our submission and our 2018 publication *The Regulatory Compass*, which were not present in the original consultation paper:

- ◆ An acknowledgement that the transition to a low-carbon economy has societal (not just financial) implications;
- ◆ Recognition that a 'short-term results culture' was impeding the progress of green finance; and
- ◆ A commitment to consider the role of culture, governance and leadership in shaping firms' action on climate change.

## **Advocacy and influencing** (continued)

### ***The difference we made*** (continued)

In October, we submitted a response to the Treasury's consultation on the Financial Services Future Regulatory Framework Review, in which we emphasised the role of purpose and the need to revise regulators' mandates, metrics and mindsets.

Our work on Open Banking – including research and incubation – has helped to raise awareness that people and planet have not been put at the centre of the agenda. We have briefed parliamentarians and policymakers (at the FCA, Bank of England, and Treasury) on the social and environmental risks and opportunities of Open Banking. There is now a willingness to address this, and we are supporting the FCA and other policy bodies to make sure the learning is embedded in plans for Open Finance. We also inputted to the formal evaluation of Open Banking, and shared our insights with academics advising on the implementation of Open Banking in Singapore.

## **Shaping the debate**

### ***What we did***

Throughout the year we spoke at industry events to call for an approach to finance that serves people and planet. Highlights included:

- ◆ Joining the government's Centre for Data Ethics and Innovation (CDEI) financial services advisory panel, providing a steer on the wider social and environmental risks and opportunities that the CDEI should monitor;
- ◆ Giving a keynote address (alongside the FCA and Information Commissioner's Office) at the Turing Institute's AI Ethics in Finance conference;
- ◆ Sharing our insights on diversity and inclusion in finance at a Chartered Banker Institute event on diversity and progression in financial services;
- ◆ Speaking on supporting gender equality in social entrepreneurship at Pioneers Post's WISE100 conference;
- ◆ Teaching the data ethics module of Cranfield University's new MSc in Digital and Retail Banking; and
- ◆ Presenting on the role of financial innovation in supporting the transition to a climate just future at Thirty Percy's Interdependence Climate Justice festival.

As a result of our insights into the relationship between purpose-led organisations and data-driven finance, we were commissioned to write a guide to Open Banking for Credit Unions by the Centre for Community Finance Europe (published February 2020).

### ***The difference we made***

During 2019 we continued to increase the quantity and profile of our speaking engagements - an indicator of the power of our message and the credibility we have developed through our work.

## Shaping the debate (continued)

### *The difference we made (continued)*

The ongoing development of our community programme increasingly enables us to amplify the work of our communities, challenging and changing narratives and norms around finance on a wider scale. To further the reach of our ideas and amplify the impact of our programmes, we also engaged with national and industry media and contributed to changing the narrative on finance, with the Lab's work featured in The Independent, openDemocracy, Pioneers Post, Co-operative News and more.

### **2020 and beyond**

In 2020 we will complete delivery of our 2017-2020 strategy, while beginning to prepare for our next strategic period. It will be a significant year for the development of the Lab as an organisation, with the appointment of our new Chief Executive Officer and the development of our 2030 strategy.

Our priorities for 2020 are to:

- ◆ Complete our strategy review process, creating a ten-year strategy to 2030 along with the first of our 3-year operational plans;
- ◆ Deepen our work with innovators who are building tomorrow's financial system today, including by evaluating our third Fellowship programme, continuing to harness and share key learnings around the responsible use of data, and share key insights with industry and policymakers;
- ◆ Expand our work with committed changemakers inside major financial institutions ('systemic intrapreneurs') to transform their organisations for people and planet, through piloting a range of intrapreneurship interventions including innovation workshops, leadership development and bank partnerships, evaluating the potential for maximum impact in line with our mission;
- ◆ Continue building our community of those inside and outside the financial sector who want to transform finance, including evaluating our community strategy, building interest-based learning clusters, and deepening our skills and knowledge around the hosting of communities using virtual tools;
- ◆ Grow our capacity to advocate for a purpose-led approach to financial regulation and policy, and build the capacity of consumer and civil society organisations and responsible finance providers with the knowledge, skills and relationships to advocate for a data-driven financial system that serves people and planet; and
- ◆ Grow and diversify our income sources to expand our reach and impact.

**2020 and beyond** (continued)

We have a talented team and strong working culture, supported by well-established governance and operational systems. As a young charity, we remain reliant on grant funding. While we continue to focus on diversifying our sources of income and building programmes which generate both income and impact, we also acknowledge that being almost wholly grant funded has sheltered us from the acute financial challenges suffered by many in the charity sector and beyond in the first half of 2020 due to the COVID-19 pandemic. Given the ongoing uncertainty caused by the crisis, and the sharp reduction in discretionary funding available to organisations which might provide us with alternative streams of funding, our current expectation is that we will remain predominantly grant dependent for at least the next 12 months.

We do not underestimate the challenges of transforming the financial system, nor do we underestimate the challenges of scaling a small organisation. But with support from our community, our Trustees, and funders who share our vision and ambition, we are ready to meet the challenge.

**The impact of COVID-19**

The impact of the coronavirus crisis fell after the balance sheet date, and has had a profound impact across all sectors and countries during 2020. In line with guidance published by the SORP-making committee, the Trustees have identified the key impacts of this crisis on the Lab to date as follows:

***Charitable activities***

The team has reviewed all planned programmatic work to consider which elements remain both viable and relevant given the dramatic change in context. The most immediate impact of the crisis was on our community programme, as our community strategy previously set a deliberate focus on face-to-face events. A series of community events on the particular barriers that people from other underrepresented groups face in finance, planned for early 2020, was postponed due to COVID-19.

Aided by the wholesale movement of much of our daily interactions online, we trialled our first online community event in late April. We are finding that the switch to online convenings has opened up valuable opportunities, including widening access for participants, especially those outside London. We have focused our community support on COVID-19 response initiatives, offering tailored match-making and additional amplification through our communication channels.

***Fundraising & finance***

As noted above, our funding structure is such that we have to date been largely sheltered from the most acute financial impact of the COVID pandemic.

The funding environment is in flux, with many funders diverting their focus to existing grantees and frontline responses. Fortunately, we have managed to mitigate the impact of this on our funding in 2020. During 2019 we successfully renewed our funding from both Friends Provident Foundation and the Tudor Trust, and in May 2020 we secured a further 2-year grant from our largest funder, Partners for a New Economy. The impact of the COVID-19 crisis on future fundraising is not yet clear, but given existing funding commitments the Trustees consider there are currently no material uncertainties about the charity's ability to continue as a going concern.

We are grateful to all our funders for their ongoing support at this time.

## **The impact of COVID-19** (continued)

### ***Staff, volunteers and operations***

Individually and collectively we are juggling competing personal and professional demands and passions, while simultaneously processing this experience of ongoing trauma and loss. Our priority in the early stages of this crisis has been to support the wellbeing of our team, board, other volunteers and wider community, as only by doing so can we continue to deliver the impact on the financial system that we strive to achieve.

From 13 March 2020 the team switched to working from home full time. While our office is in central London, the crisis has seen some staff moving as far afield as Scotland (prior to lockdown) to be closer to family members. We expect remote working to continue as the norm for us for many months to come. Given this, we have negotiated a discount on our current office space, and are keeping this contract under review.

Among our Trustee board, the additional pressures caused by the closure of schools and nurseries has led two board members to request a reduction in their involvement until the position changes. We fully support them in this decision, and look forward to the time when they will be able to fully re-join us in supporting our work.

### ***Ongoing impact***

While predictions of any kind are very difficult at this stage, it is already clear that the economic impact of the current pandemic will be far greater than the last financial crisis, but that the role of finance will be just as important. In response to this, we will continue to adapt and refocus our work based on a vision for the future of finance post-COVID, and see this as an opportunity to accelerate our work of challenging and changing narratives and norms about finance.

### ***Our structure and governance***

The Finance Innovation Lab was established as a Company Limited by Guarantee (CLG, number 09380418) on 8 January 2015 and became a Registered Charity (number 1165269) on 22 January 2016. Our constitutional documents are our Articles of Association.

### ***Our Board***

The Board can consist of up to fourteen Trustees, all able to serve two terms of three years. Sub-committees of the Board are convened to expedite the execution of duties. Current sub-committees are the Finance and Operational Risk committee, and the Communications and Fundraising Committee. In addition, the Chair and Vice Chair meet together with the CEO and COO on a monthly basis.

A Trustee recruitment campaign was launched in January 2019, with an open application process advertised via various different channels including our website and social media, Reach Volunteering, and charityjobs.co.uk. Applicants referred to 15 different channels in their applications, confirming that this approach was beneficial. Applicants completed a bespoke application form. These forms were then anonymized and assessed, and 17 candidates were shortlisted for interview.

The recruitment was highly successful and as a result we were able to appoint 9 new Trustees in April 2019, including two holding the office of Vice-Chair, with a further Trustee joining in September 2019. We believe that the number and quality of applications received is a mark of the Lab's growing reach and reputation.

**Our structure and governance** (continued)

**Our Board** (continued)

Induction support is provided to all new Trustees by the staff team and Chair. This includes copies of relevant policies, procedures, and governance information. In addition, two face-to-face induction sessions for new Trustees were conducted prior to their first board meeting in July 2019.

The Trustees who served during the financial period were:

Brhmie Balaram	Appointed 30 April 2019
Christopher (Kit) Beazley	Appointed 30 April 2019
Simon Borkin	Appointed 30 April 2019
Katherine Boswell	Appointed 30 April 2019
David Carrington (Vice Chair)	Appointed 30 April 2019
Susan Charman (Chair from 24 September 2019)	
Mikael Down	Appointed 15 October 2019
Caroline Ellis (Chair until 24 September 2019)	Resigned 24 September 2019
Nana Francois	Appointed 30 April 2019
Casey Lord	Appointed 30 April 2019
Laurie Macfarlane	Appointed 30 April 2019
Hanna Naima McCloskey	Resigned 29 April 2019
Katherine Ormiston Smith (Treasurer)	
Amit Shah	Appointed 30 April 2019
Marsha Taylor-Daniel (Vice Chair until 3 July 2020)	Appointed 8 April 2019
Julian Thompson	Resigned 14 January 2019

In October 2019 our Chair, Caroline Ellis, stepped down from the Board. We are grateful for the dedication and expertise she brought to the Lab during her time as Chair, and wish her the best in future.

Sue Charman, a long-standing Trustee of the Lab, has taken over as Chair until her term on the Board expires in January 2021. An external recruitment process for the role of Chair will begin in late 2020.

**Our team**

Day-to-day management is delegated to the Chief Executive Officer.

The Lab team during 2019 was:

Anna Laycock	Chief Executive Officer
Rebecca Sumner Smith	Chief Operating Officer (from 11 September 2019)
Ming Mimidis	Chief Operating Officer (from 17 April to 17 June 2019)
Marloes Nicholls	Head of Programmes
Lydia Hascott	Head of Intrapreneurship
Naomi Alexander Naidoo	Community Manager
Rosanna O'Donnell	Team Coordinator

Key management personnel during the year were Anna Laycock, Rebecca Sumner Smith and Ming Mimidis. Remuneration is reviewed and agreed annually by the Trustees with reference to salary bands which have been set after consideration of external benchmarking.

**Our structure and governance** (continued)

**Our team** (continued)

In October 2019, after five full and successful years at the Lab, our Chief Executive Officer Anna Laycock signaled her intention to step down during 2020. In early 2020, we completed recruitment of our new CEO, Jesse Griffiths, who joined us on 27 April 2020. Anna left on 10 June 2020, after an extended handover period. We thank her for her hard work and dedication, and for all she achieved in her time as CEO.

We are grateful for the support of our fundraising volunteer, Callum Bray, who helped us to research potential sources of grant funding. His contribution to the Lab in 2019 is estimated at around 7 days.

We also worked with a range of freelancers during the year who brought invaluable insight and skill to our work: Greg Ford, Laurie Macfarlane, Charlotte Millar and Jacqueline Lim.

**Where did our money come from?**

In 2019, we received income from the following sources:

	<b>2019</b>	
<b>Grants and donations</b>		
Partners for a New Economy	166,609	46%
Friends Provident Foundation	60,000	17%
Tudor Trust	50,000	14%
JRCT	35,000	10%
Barrow Cadbury	8,500	2%
Other	13,899	3%
<b>Consultancy Income</b>	25,781	7%
<b>Finance Matters advertising</b>	201	0%
<b>Interest and reimbursed expenses</b>	2,665	1%
<b>Total</b>	<b>362,655</b>	

**What did we spend it on?**

Our biggest cost is our team: the talented people who design and deliver our programmes. Outside of staff costs, our biggest areas of programme spend are venue hire and hosting costs for our workshops, conferences, roundtables, events and residential retreats.

	<b>2019</b>	
Staff costs	267,700	69%
Rent and office running costs	55,300	14%
Accountancy, audit and legal fees	20,360	5%
Freelance staff	15,300	4%
Venues and hosting events	19,381	5%
Communications and research	89	0%
Meetings, travel and subsistence	11,864	3%
<b>Total</b>	<b>389,994</b>	

**Results for the year**

Total income for the year was £362,655 (2018 - £315,523) of which £137,546 was unrestricted (2018 - £115,087) and £225,109 was restricted (2018 - £200,436). Unrestricted expenditure was £140,981 (2018 - £112,514) resulting in a deficit on unrestricted funds for the year after transfers of £3,435 (2018 – surplus of £3,672). Restricted expenditure was £249,013 (2018 - £150,834) resulting in a deficit on restricted funds for the year after transfers of £23,904 (2018 - surplus of £48,503).

**Our financial position**

The Trustees set the Lab's target reserves at a level sufficient to ensure our financial stability and ability to meet our charitable objectives for the foreseeable future. Our target is to maintain reserves at a level that is at least equivalent to three months' core operational expenditure. The Trustees review the amount of reserves that are required on a quarterly basis.

At 31 December 2019, the Lab had unrestricted reserves of £66,660, which represented 35% (or 4.2 months) of core operational expenditure.

**Thank you**

The Lab exists to change one of the most powerful, self-serving and unaccountable systems in the world: the financial system.

We didn't take this on because it's easy to achieve or easy to fund. We took it on because we believe that transforming the financial system is the key to unlocking some of the most wicked problems of our time.

We believe it can be done. And we have the courage to try.

We'd like to express our sincere thanks to all of those who have made our journey possible so far, including:

- ◆ The Lab team and volunteers
- ◆ The Lab's founding partners, WWF-UK and ICAEW
- ◆ The Lab's co-founders: Charlotte Millar, Jen Morgan, Rachel Sinha and Richard Spencer
- ◆ Our Senior Fellows: Bertrand Beghin, Fran Boait, Gemma Bone-Dodds, Diane Burrige, Martin Campbell, Bruce Davis, Simon Deane-Johns, Tony Greenham, Julia Groves, Malcolm Hayday, Reema Patel, Karl Richter, Brett Scott, James Vaccaro, Emma Vartolomei and Bryan Zhang.
- ◆ Our funders, donors and supporters in the UK and beyond.

Approved by the Trustees on 28 July 2020 and signed on their behalf by:

Katherine Ormiston Smith  
Trustee and Treasurer



## Statement of Trustees' responsibilities Year ended 31 December 2019

### Statement of Trustees' responsibilities

The Trustees (who are also Directors of Finance Innovation Lab for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees 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 income and expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees 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.

Each of the Trustees confirms that:

- ◆ so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Trustees 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.

Approved by the Trustees of the charity on 28 July 2020 and signed on its behalf by:

Trustee



**Independent auditor's report to the members of Finance Innovation Lab**

**Opinion**

We have audited the financial statements of Finance Innovation Lab (the 'charitable company') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter – effects of COVID-19**

We draw attention to the information contained in the trustees' report and principal accounting policies in these financial statements, which describe the impact that COVID-19 is having on the charity's operations. Our opinion is not modified in respect of this matter.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the Trustees' report, which is also the Directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the Directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report. We have nothing to report in respect of the following matters in relation to which 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 Trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also Directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Hugh Swainson, Senior Statutory Auditor  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 14 August 2020

**Statement of financial activities (incorporating income and expenditure account)**  
Year ended 31 December 2019

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £
<b>Income from:</b>				
Donations	3	95,000	225,109	<b>320,109</b>
Charitable activities	4	41,697	—	<b>41,697</b>
Other income		849	—	<b>849</b>
<b>Total income</b>		<b>137,546</b>	<b>225,109</b>	<b>362,655</b>
<b>Expenditure on:</b>				
Raising funds	6	(21,356)	(30,368)	<b>(51,724)</b>
Charitable activities	5	(119,625)	(218,645)	<b>(338,270)</b>
<b>Total expenditure</b>		<b>(140,981)</b>	<b>(249,013)</b>	<b>(389,994)</b>
Net expenditure for the year before transfers		(3,435)	(23,904)	<b>(27,339)</b>
Transfers between funds	17	—	—	—
<b>Net movement in funds</b>		<b>(3,435)</b>	<b>(23,904)</b>	<b>(27,339)</b>
<b>Reconciliation of funds</b>				
Total funds brought forward		70,095	60,428	<b>130,523</b>
Total funds carried forward	17	66,660	36,524	<b>103,184</b>

Comparative figures for the year ended 31 December 2018:

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £
<i>Income from:</i>				
<i>Donations</i>	3	95,009	200,436	295,445
<i>Charitable activities</i>	4	20,078	—	20,078
<i>Total income</i>		<b>115,087</b>	<b>200,436</b>	<b>315,523</b>
<i>Expenditure on:</i>				
<i>Raising funds</i>	6	(15,913)	(21,566)	(37,479)
<i>Charitable activities</i>	5	(96,601)	(129,268)	(225,869)
<i>Total expenditure</i>		<b>(112,514)</b>	<b>(150,834)</b>	<b>(263,348)</b>
Net income for the year before transfers		2,573	49,602	52,175
Transfers between funds	17	1,099	(1,099)	—
<b>Net movement in funds</b>		<b>3,672</b>	<b>48,503</b>	<b>52,175</b>
<i>Reconciliation of funds</i>				
<i>Total funds brought forward</i>		66,423	11,925	78,348
<i>Total funds carried forward</i>	17	70,095	60,428	130,523

All of the charity's activities derive from continuing operations during the above two periods.

**Balance sheet** Year ended 31 December 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible fixed assets	13	2,573	1,881
Current assets			
Debtors	14	9,875	9,897
Cash at bank and in hand		122,744	142,189
		<b>132,619</b>	152,086
Creditors: amounts falling due within one year	15	(32,008)	(23,444)
Net current assets		<b>100,611</b>	128,642
Net assets		<b>103,184</b>	130,523
Funds of the charity:			
Restricted funds	20	36,524	60,428
Unrestricted funds		66,660	70,095
Total funds	17	<b>103,184</b>	130,523

The financial statements on pages 20 to 31 were approved by the Trustees, and authorised for issue on 28 July 2020 and signed on their behalf by:



Katherine Ormiston Smith  
Trustee

Finance Innovation Lab: A company limited by guarantee. Company Registration No. 9380418 (England and Wales).

## 1 Charity status

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

## 2 Principal accounting policies

### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### Statement of compliance

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) and the Companies Act 2006.

### Basis of preparation

Finance Innovation Lab meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

### Going concern

The Trustees have considered the impact of the COVID-19 crisis on the charity and put measures into place to ensure the Lab can continue its operations as described in the Trustees' report. Although the future fundraising is not yet clear, given existing funding commitments in place the Trustees consider there are currently no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

### Exemption from preparing a cash flow statement

The charity has applied Charities SORP (FRS 102) and have therefore not included a cash flow statement in these financial statements.

### Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

### Donations

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

## 2 Principal accounting policies (continued)

### Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

### Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

### Raising funds

These are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

### Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

### Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

### Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

### Depreciation and amortisation

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
Computer equipment	25% straight line

## 2 Principal accounting policies (continued)

### Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### Fund structure

Unrestricted income funds are general funds that are available for use at the Trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

## 3 Income from donations

	Unrestricted funds £	Restricted funds £	Total 2019 £
Grants from:			
- Charities	95,000	225,109	<b>320,109</b>
	<b>95,000</b>	<b>225,109</b>	<b>320,109</b>

**3 Income from donations (continued)**

	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<i>Total 2018</i> £
<i>Donations</i>			
- <i>Donations from companies, trusts and similar proceeds</i>	9	—	9
<i>Grants from:</i>			
- <i>Charities</i>	95,000	200,436	295,436
	<b>95,009</b>	<b>200,436</b>	<b>295,445</b>

**4 Income from charitable activities**

	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<b>Total 2019</b> £
Consultancy (social and sustainable finance and financial reform)	29,279	—	<b>29,279</b>
Participant contributions & Sponsorship	12,418	—	<b>12,418</b>
	<b>41,697</b>	<b>—</b>	<b>41,697</b>

	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<i>Total 2018</i> £
<i>Consultancy (social and sustainable finance and financial reform)</i>	20,078	—	20,078
	<b>20,078</b>	<b>—</b>	<b>20,078</b>

**5 Expenditure on charitable activities**

	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<b>Total 2019</b> £
	Notes		
Staff costs		38,589	151,254
Freelance staff		—	15,300
Other direct costs		2,680	37,036
Allocated support costs	7	78,356	15,055
		<b>119,625</b>	<b>218,645</b>
		<b>119,625</b>	<b>338,270</b>

	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<i>Total 2018</i> £
	Notes		
<i>Staff costs</i>		54,241	73,667
<i>Freelance staff</i>		7,897	8,400
<i>Other direct costs</i>		11,191	15,818
<i>Allocated support costs</i>	7	23,272	31,383
		<b>96,601</b>	<b>129,268</b>
		<b>96,601</b>	<b>225,869</b>

## 6 Expenditure on fundraising costs

	Notes	Unrestricted funds £	Restricted funds £	Total 2019 £
Staff costs		7,047	27,619	<b>34,666</b>
Allocated support costs	7	14,309	2,749	<b>17,058</b>
<b>Total</b>		<b>21,356</b>	<b>30,368</b>	<b>51,724</b>

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £
Staff costs		11,136	15,123	26,259
Allocated support costs	7	4,777	6,443	11,220
<b>Total</b>		<b>15,913</b>	<b>21,566</b>	<b>37,479</b>

## 7 Support costs

		Fundraising costs £	Charitable activities £	Total 2019 £
Governance		633	3,465	<b>4,098</b>
Staff costs		6,669	36,522	<b>43,191</b>
Finance		34	186	<b>220</b>
IT		320	1,754	<b>2,074</b>
Legal and Professional		2,511	13,751	<b>16,262</b>
Establishment		5,640	30,885	<b>36,525</b>
Other		1,251	6,848	<b>8,099</b>
<b>Total</b>		<b>17,058</b>	<b>93,411</b>	<b>110,469</b>

		Fundraising costs £	Charitable activities £	Total 2018 £
Governance		599	2,918	3,517
Staff costs		4,090	19,920	24,010
Finance		37	182	219
IT		431	2,100	2,531
Legal and Professional		2,898	14,119	17,017
Establishment		2,744	13,364	16,108
Other		421	2,052	2,473
<b>Total</b>		<b>11,220</b>	<b>54,655</b>	<b>65,875</b>

## 8 Governance costs

		Unrestricted funds £	Restricted funds £	Total 2019 £
Audit fees		—	4,098	<b>4,098</b>

**8 Governance costs** (continued)

	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<i>Total 2018</i> £
<i>Audit fees</i>	—	3,517	3,517

**9 Net income**

	<b>2019</b> £	2018 £
Net income for the year is stated after charging:		
Audit fees:		
- Current year	<b>4,098</b>	4,017
- Prior year	—	(500)
Depreciation	<b>1,457</b>	1,179
Operating leases – land and buildings	<b>34,459</b>	14,500

**10 Trustees' remuneration and expenses**

No Trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2018: Nil).

No Trustees have received any other benefits from the charity during the year (2018: Nil).

Expenses totalling £501 (2018: £88) for board meeting refreshments was spent during the year.

6 Trustees (2018: 2) were reimbursed expenses of £3,215 (2018: £616) principally on travel to Trustees meetings and travel to assist with interviews.

Gifts to the value of £55 (2018: £105) were provided to 2 Trustees on their retirement from the Lab.

**11 Staff costs**

The aggregate payroll costs were as follows:

	<b>2019</b> £	2018 £
<b>Staff costs during the year were:</b>		
Wages and salaries	<b>233,982</b>	158,307
Social security costs	<b>21,479</b>	14,333
Employer pension contribution	<b>12,239</b>	5,537
	<b>267,700</b>	178,177

Key management personnel remuneration, which includes employers National Insurance and pensions contributions, for the year was £106,843 before tax (2018: £74,818).

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as average full time equivalents was as follows:

**11 Staff costs** (continued)

	2019 No.	2018 No.
Average number of employees	6	4

The number of employees whose emoluments fell within the following bands was:

	2019 No.	2018 No.
£60,000 - £70,000	1	1

**12 Taxation**

Finance Innovation Lab is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**13 Tangible fixed assets**

	2019 Total (computer equipment) £
<b>Cost</b>	
At 1 January 2019	5,538
Additions	2,149
Disposals	(1,120)
At 31 December 2019	6,567
<b>Depreciation</b>	
At 1 January 2019	3,657
Charge for the year	1,457
Disposals	(1,120)
At 31 December 2019	3,994
<b>Net book value</b>	
At 31 December 2019	2,573
At 31 December 2018	1,881

**14 Debtors**

	2019 £	2018 £
Prepayments	9,875	9,897
	9,875	9,897

**15 Creditors: amounts falling due within one year**

	2019 £	2018 £
Trade creditors	9,051	9,621
Other taxation and social security	7,583	5,893
Other creditors	1,926	—
Accruals	13,448	7,930
	32,008	23,444

## 16 Financial commitments

At 31 December the charity had the following minimum lease commitments under non-cancellable operating leases as set out below:

	<b>Land and Buildings 2019 £</b>	Land and Buildings 2018 £
Operating lease payments due within 1 year	<b>4,320</b>	18,000

## 17 Funds

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfer between funds £	<b>Balance at 31 December 2019 £</b>
<b>Unrestricted funds</b>					
General	70,095	137,546	(140,981)	—	<b>66,660</b>
<b>Restricted funds</b>	60,428	225,109	(249,013)	—	<b>36,524</b>
<b>Total funds</b>	<b>130,523</b>	<b>362,655</b>	<b>(389,994)</b>	<b>—</b>	<b>103,184</b>

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2018 £
<i>Unrestricted funds</i>					
<i>General</i>	66,423	115,087	(112,514)	1,099	70,095
<i>Restricted funds</i>	11,925	200,436	(150,834)	(1,099)	60,428
<i>Total funds</i>	<b>78,348</b>	<b>315,523</b>	<b>(263,348)</b>	<b>—</b>	<b>130,523</b>

## 18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	<b>2019 Total funds £</b>
Tangible fixed assets	—	2,573	<b>2,573</b>
Net current assets	66,660	33,951	<b>100,611</b>
<b>Total net assets</b>	<b>66,660</b>	<b>36,524</b>	<b>103,184</b>

	Unrestricted funds £	Restricted funds £	2018 Total funds £
<i>Tangible fixed assets</i>	—	1,881	1,881
<i>Net current assets</i>	70,095	58,547	128,642
<i>Total net assets</i>	<b>70,095</b>	<b>60,428</b>	<b>130,523</b>

**19 Analysis of net funds**

	At 1 January 2019 £	Net cash flow £	At 31 December 2019 £
Cash at bank and in hand	142,189	(19,445)	<b>122,744</b>
Net debt	142,189	(19,445)	<b>122,744</b>

	At 1 January 2018 £	Net cash flow £	At 31 December 2018 £
Cash at bank and in hand	87,331	54,858	142,189
Net debt	87,331	54,858	142,189

**20 Restricted funds**

Fund	Balance at 1 January 2019 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2019 £
Partners for a New Economy	58,562	166,609	(188,647)	—	<b>36,524</b>
Barrow Cadbury	1,866	8,500	(10,366)	—	—
Tudor Trust	—	50,000	(50,000)	—	—
<b>Total restricted</b>	<b>60,428</b>	<b>225,109</b>	<b>(249,013)</b>	<b>—</b>	<b>36,524</b>

Fund	Balance at 1 January 2018 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2018 £
Partners for a New Economy	—	133,436	(73,775)	(1,099)	58,562
Barrow Cadbury	11,840	17,000	(26,974)	—	1,866
Tudor Trust	85	50,000	(50,085)	—	—
<b>Total restricted</b>	<b>11,925</b>	<b>200,436</b>	<b>(150,834)</b>	<b>(1,099)</b>	<b>60,428</b>

*Partners for a New Economy* – strategic grant supporting the Lab's work to build a financial system that serves people and planet, including innovation, intrapreneurship, advocacy and testing approaches to scaling our impact.

*Barrow Cadbury* – project grant for a series of ideation sessions exploring how data-driven financial innovation can address our most urgent social and environmental challenges.

*Tudor Trust* – grant to support core operational costs.

## 21 Related party transactions

Other than as disclosed in note 10, the following related party transactions took place during the year.

Christopher (Kit) Beazley is a Trustee of the Lab and in November 2019, together with the Lab's Head of Intrapreneurship, co-presented a talk on purpose to a major bank's finance team. Travel expenses were refunded, but no remuneration was paid for this support.

Laurie Macfarlane has been a Trustee of the Lab since April 2019. Prior to this, he provided limited consultancy support to write a briefing summarising discussions at the Lab's Inclusive Financial Innovation ideation event held in October 2018. This work was completed prior to him joining the Board and was remunerated (fees: £600) and substantially completed during 2018. However, as some writing up was completed in early 2019, this is being disclosed for full transparency.

## 22 Post balance sheet event

Since the year end, the worldwide outbreak of the coronavirus pandemic (COVID-19) has caused extensive disruptions to organisations globally with major implications for operations as well finances. The Trustees acknowledge and recognise, as set out in the Trustees' report, the impact of the COVID-19 pandemic on the operations of the charity, its beneficiaries, partners, stakeholders and on the wider society, and have ensured that both resources and processes are in place to mitigate any disruption to the operations. As a result, the impact of COVID-19 pandemic does not warrant any adjustments to these financial statements.