



Annual Report and Financial Statements

(A company limited by guarantee)

31 December 2021

Company Registration Number
09380418 (England and Wales)

Charity Registration Number
1165269 (England and Wales)

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References and Administrative Information Year ended 31 December 2021

Trustees	Brhmie Balaram (resigned 24 May 2022) David Bartram (appointed 3 November 2021) Christopher (Kit) Beazley (Chair from 27 January 2021) Simon Borkin (resigned 25 February 2022) Katherine Boswell David Carrington Susan Charman (Chair, resigned 27 January 2021) Mikael Down Nana Francois Casey Lord Laurie Macfarlane (resigned 23 August 2021) Alice Merry (appointed 3 November 2021) Katherine Ormiston Smith (Treasurer) Amit Shah
Chief Executive Officer	Jesse Griffiths
Principal Address	HubHub 20 Farringdon Street London EC4A 4EN
Company registration number	9380418
Charity registration number	1165269
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Principal bankers	Unity Trust Bank PO Box 7193 Planetary Road Willenhall WV1 9DG

Trustees' Report Year ended 31 December 2021

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 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 29 to 31 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 vision

Our vision is a financial system that serves people and planet – one that's democratic, sustainable, just and resilient.

Democratic	a transparent and accountable financial system, where all people can participate in the rule-making and institutions that shape it.
Sustainable	a financial system that helps meet society's long-term needs and supports human flourishing on a thriving planet.
Just	a financial system that promotes diversity and equality and protects human rights.
Resilient	a financial system that provides security and stability for all, and for the real economy.

The need

Our financial system has become disconnected from the real needs of people, the environment, the wider economy and society. Dysfunctions in the financial system lie at the root of today's challenges, from climate change and economic crises, to poverty, marginalisation, vulnerability and inequality.

It doesn't have to be this way. 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

We focus on transformative systems change; deep, lasting change in the financial system that impacts:

- **Mental models** – the social and cultural mindsets, narratives, norms and values that make up and perpetuate what we believe is normal.
- **Power dynamics** – power dynamics determine how the system operates, who gets most influence, and whose interests prevail.

We know we can't do this alone. Our role is to build power to make this change happen, by:

- **Cultivating a powerful community of systems-changemakers** – from inside and outside the financial system, including innovators and influencers from values-based finance, fintech, mainstream finance, civil society organisations, governmental organisations and academia.
- **Working on high impact initiatives with clear leverage points** – to achieve concrete changes that shift mental models and power dynamics to transform the financial system.

Our current initiatives are grouped into four programmes targeting the key financial system impacts needed to meet our vision:

- **Growing purpose-driven finance** – significantly expanding the size and impact of financial institutions that put social and environmental purpose at the heart of their ownership, mandate, governance, culture, and business models will be key to building the financial system of the future.
- **Shifting mainstream finance** – mainstream players such as banks and pension and insurance funds will have to shift their activities significantly if we are to meet our environmental and social goals.
- **Influencing law, regulation and policy** – the financial system is structured by policy and regulation which define the playing field and rules of the game, and the system's alignment to environmental and social goals. These rules hold the key to creating or incentivising major transformative change to the system.
- **Building our community** – we build the power of our community by developing its size and diversity, facilitating connections, nourishing the people within it, advancing new thinking, and by supporting the development and growth of initiatives for change.

Our work in 2021

2021 saw many successes, including the launch of our first fellowship for intrapreneurs influencing change in mainstream finance; increasing engagement with our policy and advocacy work, and renewed investment in our work supporting the purpose-driven finance ecosystem. We also developed our programme for growing purpose-driven finance, hiring our first dedicated programme leads – and the Lab's first job share. We published a number of key documents, influenced or were quoted in various of articles in the mainstream press, and both our Head of Policy and Advocacy and our Head of Community and Communications were highlighted on the Innovate Finance Women in Fintech Powerlist.

2021 also saw changes to our board, with the departure of our long-standing trustee, and latterly Chair, Sue Charman, in January 2021. In November we recruited two new trustees, along with four 'trustees-in-training', the latter being a 12-month programme the Lab developed to encourage involvement of candidates who might otherwise not put themselves forward for a full trustee role.

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.

Growing purpose-driven finance

Significantly expanding the size and impact of those financial institutions that put social and environmental purpose at the heart of their ownership, mandate, governance, culture, and business model will be key to building the financial system of the future.

Our 2030 goal is that purpose-driven financial institutions become mainstream in the UK, with a significant proportion of the public using purpose-driven financial institutions which hold an important share of total assets.

What we did

Following our 2020 publication *Barriers to Growing the Purpose Driven Banking Sector*, in February the Lab hosted a workshop where forty leaders in purpose-driven banking – from credit unions, community finance organisations, building societies, mutual banks and ethical banks – could share insights and generate new ideas for growing and strengthening the UK's purpose-driven banking sector. The impact of this was to generate a collective agreement amongst leaders as to what the barriers facing the ecosystem are, laying the groundwork for building a movement across these sectors and work collectively to find ways to remove these barriers and scale purpose-driven financial organisations.

Up to Q3 2021, this programme was led by existing core team members, but in early October we hired our first programme leads (a job-share), to begin building this movement. Their initial focus has been on understanding the purpose-driven finance landscape and developing relationships with stakeholders, including participating in workshops hosted by the Mutual Banking Association, the 'think and do tank' CLES, Triodos Bank, and ABCUL - the Association of British Credit Unions. In December, they published an article setting out why our work is so crucial to challenging injustice in the financial system, entitled: *How the financial system fails people on low incomes (and what we can do about it)*.

Alongside this, building on work to date, development of the full programme strategy began, alongside exploring possible future avenues for expanding the scale of impact.

The difference we made

By bringing together leaders from across the purpose-driven banking sectors to collectively explore what it is that holds their growth back we made progress situating their work (both as leaders and as organisations) as part of an ecosystem of purpose-driven finance. This perspective, and collective understanding, is necessary for building the power and coherence of the ecosystem overall, to win practical changes that will enable it to grow, and more importantly to shift mental models around how the financial system should operate. This demonstrated again that leaders in this community trust the Lab, are willing to be open about the strategic challenges around growing purpose-driven finance, and are keen to work with the Lab to make change happen.

With the programme still in development, the strategy, indicators, and approach to impact measurement and evaluation are yet to be finalised.

Shifting mainstream finance

Mainstream players such as banks and pension and insurance funds will have to shift their activities significantly if we are to meet our environmental and social goals. Given their public profile, it is possible to imagine this happening even if they do not fully convert into purpose-driven institutions.

Our 2030 goal is that mainstream financial organisations have aligned their core business activities to deliver a less than 1.5°C increase in global temperature – in line with the Paris Agreement – through financing a just and regenerative economy.

What we did

In partnership with the Climate Safe Lending Network (CSLN) - an international network of stakeholders all working to decarbonise the banking sector and real economy - we launched our first Climate Safe Lending Fellowship for a select group of high potential climate intrapreneurs. (We define climate intrapreneurs as those transforming a financial institution from within, by aligning strategy, operations and culture with positive societal outcomes). This six-month leadership programme builds the confidence, knowledge, networks and skills to create shifts within banks towards the financing of a just and equitable transition to a Paris-aligned economy. The programme includes a mixture of workshops, peer coaching and one-on-one coaching sessions, with our first cohort consisting of 23 Fellows from 20 banks globally.

In 2021 we also worked to influence directly the pace and scale of climate action within two of the UK's largest banks. We were able to draw on the Lab's research on Purpose-Driven Banking in the UK and our established community of purpose-driven finance innovators to both challenge and support banks' understanding of the nature of genuinely purpose-driven banking and the uncomfortable paradigm shift that will be required to transform in this direction. Our work included delivering workshops featuring purpose-driven finance leaders for the 700 most senior leaders across one of those banks on topics such as: embedding purpose in finance and strategy; equity, diversity and inclusion within purpose-driven banking; and the relationship between purpose and climate.

We also continued to build relationships with UK-based climate finance campaigners, sharing insights on the internal barriers and enablers of climate action within banks.

The difference we made

We are seeing evidence that our Climate Safe Lending Fellowship programme is building the knowledge, networks, confidence and skills of intrapreneurs acting for climate action within their institutions. We will share more learning once the programme closes – and are already planning for a second cohort, to run 2022-2023.

The Lab occupies a unique space in the net zero banking ecosystem, building bridges between insider and outsider change strategies. We are not aware of another organisation in the UK building communities of internal climate advocates within banks and connecting them with external influencing efforts.

Influencing law, regulation and policy

The financial system is not like most other systems, as the policy and regulatory structure is essential for defining the playing field and rules of the game, and aligning the system to environmental and social goals. These rules may help maintain the status quo but they also hold the key to creating or incentivising major transformative change to the system.

Our 2030 goals are that the ability of civil society organisations to influence finance-related law, regulation and policy is significantly increased; and that financial regulation, law, policy and industry standards support and oblige financial institutions to align to the Paris Agreement and just transition principles.

What we did

In March 2021 the Lab responded to the government-commissioned Fintech Strategic Review, challenging it to prioritise the ultimate social and environmental impacts of the fast-growing financial technology ('fintech') sector. Our response informed and is cited throughout the House of Commons report on fintech, and was also highlighted in work by academics at Sheffield University on fintech policy.

We continued co-leading the Open Finance Working Group (with StepChange Debt Charity), made up of third sector organisations, predominantly working on financial health, and in July we published a paper on Open Finance and Vulnerability. The paper was well-received and officials at the Competition and Markets Authority's Digital Markets Unit, the FCA, and the Money and Pensions Service let us know that the paper had been circulated internally. It also featured in Tech Nation's July report on Open Finance and insurance.

During 2021 we developed our programme strategy, focused on building the infrastructure – including convening, analysis and joint action – for civil society organisations (CSOs) focused on social and environmental justice to influence financial sector policy. We also launched our first coordinated campaign, focusing on influencing HM Treasury's major Future Regulatory Framework Review and the 2022 Financial Services Bill, which are the 'biggest changes to financial sector regulation in a generation' according to the Minister in charge. Key aims are to build support for stronger regulator mandates to act on climate and inclusion while challenging proposals to introduce new statutory objectives for regulators to promote the international competitiveness of industry.

The difference we made

Our work in 2020 raising CSO's awareness of the Finance Services Bill 2021, briefing parliamentarians and helping shape the Peers for the Planet's strategic approach, led in 2021 to a major success, with regulators required for the first time to take climate goals into account when setting regulation in the areas covered by the Bill.

[The Lab's] work convening other expert organisations, facilitating collaborative thinking and combining efforts has been fantastic in what can otherwise be a fragmented stakeholder landscape. We very much look forward to future collaboration.

– Peers for the Planet

Building our community

We build the power of our community by developing its size and diversity, facilitating connections, nourishing the people within it, advancing new thinking, and by supporting the development and growth of initiatives for change.

Our 2030 goal is that our community of committed and connected systems-changemakers have demonstrated their power to transform the financial sector and grow purpose-driven finance, shift mainstream finance, shrink unaccountable finance, and influence law, regulation and policy.

In April 2021 our Head of Community and Communications left for a role elsewhere in the sector. With limited budget we decided to invest in a Head of our 'Growing Purpose Driven Finance' programme rather than to immediately replace this role, which led to the pausing of our broader community programme and also some pressure around comms capacity in the team. Members of our community have continued to be supported within programme-specific community work, and we have continued to amplify the work of our community through our regular newsletter and also our social media channels. This role remains vacant, but we have now received 12-month funding from the J J Charitable Trust for our community programme and will progress this early in 2022.

In April 2021 we published a reflection paper on the role of *Community Building for Systems Change*. Drawing on examples from the Lab and other community-based organisations, and thinking from systems change thought leaders and community building experts, the paper explores how and why community building can be an effective strategy for systems change, and why it is such a core part of the Lab's work.

In 2021 we also ran the 'For The Better' award for financial systems-changemakers in partnership with specialist communications agency Teamspirit. Launched in 2018, the award offers a purpose-driven financial organisation the opportunity to increase their reach and impact with £10,000 of pro-bono marketing and communications support from Teamspirit's award-winning team. In 2021, Credit Unions of Wales were supported to launch MoneyWorks Wales, an ethical payroll scheme that builds financial wellbeing for Welsh workers, communities and organisations.

Shaping the debate

In addition to various short articles available on our Lab's website, in 2021 the Lab issued the following publications:

- in February 2021 we submitted a response to HM Treasury's phase two **consultation on the Financial Services Future Regulatory Framework Review**. In the same month the Lab also submitted a response to the Treasury Committee's **Future of Financial Services Inquiry**. The submission focused on issues that we identified as centrally important for regulating financial services in the wake of Brexit.
- in March 2021 we responded to the government-commissioned Fintech Strategic Review – also known as the Kalifa Review – which aims to support the growth and widespread adoption of UK fintech, and maintain the UK's global fintech reputation.

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- in April 2021 we published a reflection paper on the role of **community building for systems change**. Drawing on examples from the Lab and other community-based organisations, and thinking from systems change thought leaders and community building experts, the paper explores how and why community building can be an effective strategy for systems change, and why it is such a core part of the Lab's work.
- In July we published a paper on **Open Finance and Vulnerability**, highlighting major risks that Open Finance could exacerbate the challenges faced by those in vulnerable circumstances, and offering 12 recommendations to policy makers to ensure that Open Finance contributes to a financial services sector that works for everyone.
- During 2021 we began producing a **monthly summary and analysis of all major financial sector policy, regulatory and legislative processes**. Feedback so far has indicated that the policy forward look is a unique document that is increasing knowledge, and we are increasingly hold briefings with organisations, journalists, and policy makers to share insights from it.

In recognition of the Lab's expertise, our team are also frequently cited or asked to share their expertise in various settings. Examples in 2021 include:

- We delivered a session on Finance and Climate action as part of the Hawkwood Centre for Future Thinking's Climate Action Lab.
- We spoke about Open Finance at ABCUL's annual conference to help build understanding of this new tech amongst the sector.
- We inspired and chaired a panel at the FTT Fintech Festival on Open Finance and vulnerability.
- We participated in the BEIS/Centre for Data Ethics and Innovation workshop on Smart Data, which is feeding into the government's policy on the roll-out of Open Finance.
- We attended the exclusive Ditchley conference on global finance.
- Our 2020 Climate Intrapreneurs report synthesising the key insights from the Climate Safe Learning Lab convening in October 2020 was listed as a resource in Project Drawdown's 2021 report Climate Solutions at Work: Unleashing your employee power.

Finally, we were delighted that in 2021 both our Head of Community and Communications and Head of Policy and Advocacy were included on Innovate Finance's Women in Fintech Powerlist.

2022 and beyond

2021 was the first year of implementing our new strategy (available from our website at: <http://filab.uk/ourstrategy>), and during 2022 this implementation will continue and accelerate. Some key plans for 2022 include:

- finalising our detailed monitoring, evaluation and learning approach for each of the four programmes of work, and report on this more fully on our website and in the 2022 annual report.
- continuing building and supporting our community of those inside and outside the financial sector who want to transform finance, through outreach, activities and events, and ongoing thought engagement work.
- developing our programme strategy for our work Growing Purpose-Driven Finance, identifying new initiatives to help the purpose-driven banking ecosystem grow and strengthen. This will begin by helping to create a sense of common identity within the community and identifying common barriers to growth as well as opportunities to tackle them. It will also include supporting the advocacy efforts of the network of regional cooperative banks, credit unions and community finance institutions.
- influencing HMT's major Future Regulatory Framework Review and the 2022 Financial Services Bill, to build support for stronger regulator mandates to act on climate and inclusion, while challenging proposals to introduce new statutory objectives for regulators to promote the international competitiveness of industry.
- further improving mechanisms for policy information gathering and analysis that enable the Lab's community to understand key developments and identify opportunities for collaborative advocacy.
- outreach and strategic communications to support civil society to become an increasingly respected stakeholder in the eyes of parliamentarians and the government.
- continuing to build the power of our community of climate intrapreneurs, growing their knowledge, networks, confidence and skills to accelerate climate action from within their institutions.
- completing the delivery of our inaugural Climate Safe Lending Fellowship and document learnings about the barriers and enablers of bank climate action into a publicly available insights report, before launching applications for cohort two.
- building influence with power holders within two strategically important UK banks to directly encourage more transformational climate action while supporting bottom-up change through growing internal communities of climate intrapreneurs.
- deepening relationships with the climate finance campaigning community and sharing our insights on the inner workings of banks to enhance external influencing strategies.

The impact of COVID-19

During 2021 the coronavirus pandemic had a profound impact across all sectors and countries. 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

As we entered the second year of the pandemic the main impacts of COVID-19 have become business as usual; most obviously the ongoing need for Lab events to take place online rather than in person. We have continued to find that the switch to online convenings has opened up valuable opportunities, including widening access for participants.

Fundraising and finance

Thanks to our funding structure - and to our funders, for whose ongoing support we are incredibly grateful - we are fortunate to have avoided the acute financial stresses the pandemic has inflicted on the sector. Indeed, the strength and urgency of our programmatic work meant that our income overall grew from £412,030 in 2020 to £562,912 in 2021, with new programme funding secured from The Sunrise Project, Green America, Joffe Charitable Trust and the J J Charitable Trust. During 2021 we also secured a further two-year core grant (Feb 2022-Jan 2024) from the Tudor Trust.

Further growth is expected in 2022.

The Lab is committed to high standards in fundraising. The vast majority of our fundraising activity is with trusts and foundations; donations from individuals in the year totalled less than £100, and all activity is conducted by The Lab directly.

No complaints were received from supporters about our fundraising methods in 2021.

Staff, volunteers and operations

Our priority in the early stages of this crisis was 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. This continued into 2021, and while we retained and made available our office space throughout the year the team remained and remain predominantly working from home. Given this, during the year we reduced our contract for office space to a minimum to ensure we had space available to us whilst minimising costs.

Ongoing impact

We 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.

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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, both of which met quarterly in advance of board meetings. In addition, the Chair and Vice Chairs met together with the CEO and COO on a monthly basis.

Trustee recruitment is conducted via an open application process advertised via various different channels. Induction support is provided to all new trustees by the staff team and Chair. This includes copies of relevant policies, procedures, and governance information. The trustees who served during the financial period were:

Brhmie Balaram	Resigned 24 May 2022
David Bartram	Appointed 3 November 2021
Christopher (Kit) Beazley (Chair from 27 January 2021)	
Simon Borkin	Resigned 25 February 2022
Katherine Boswell	
David Carrington	
Susan Charman (Chair until 27 January 2021)	Resigned 27 January 2021
Mikael Down	
Nana Francois	
Casey Lord	
Laurie Macfarlane	Resigned 23 August 2021
Alice Merry	Appointed 3 November 2021
Katherine Ormiston Smith (Treasurer)	
Amit Shah	

January 2021 saw the departure of our long-standing trustee, and latterly Chair, Sue Charman. Sue was the Lab's longest serving trustee, having been involved since 2009 when the Lab emerged from a collaboration between WWF-UK and the ICAEW. The support Sue has provided to the Lab and its team over the years is impossible to measure, and we will greatly miss her thoughtful approach and wise counsel.

External recruitment for a replacement was unsuccessful, and we were delighted that existing trustee Kit Beazley stepped up as interim Chair for 12 months - and has now been confirmed as ongoing Chair. During 2021 we also recruited two new trustees, along with four 'trustees-in-training', the latter being for a 12-month programme to encourage involvement of candidates who might otherwise not put themselves forward for a full trustee role. We have already had interest from other third sector organisations about this approach, and will be sharing more as the programme develops.

In August 2021 trustee Laurie Macfarlane stepped down for personal reasons. In early 2022 (post balance-sheet) a further trustee, Simon Borkin, also stepped down for personal reasons, and in May 2022 Brhmie Balaram retired from the board at the end of her three-year term. We are extremely grateful for their contribution to our work, and for the expertise and

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enthusiasm they brought to the Lab during their time on the board.

Lab Treasurer Kate Ormiston Smith was on parental leave from the board from June 2021 until March 2022.

Our team

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

The Lab team during 2021 was:

Jesse Griffiths	Chief Executive Officer
Rebecca Sumner Smith	Chief Operating Officer
Marloes Nicholls	Head of Policy and Advocacy
Lydia Hascott	Head of Intrapreneurship
Sam Rex-Edwards and Kay Polley	Heads of Movement Building and Campaigns (job-share, from 3 October 2021)
Alexandra Spencer	Intrapreneurship Programme Manager (from 18 October 2021)
Naomi Alexander Naidoo	Head of Community and Communications (until 28 April 2021)
Yvonne Morris	Operations Officer

Key management personnel during the year were Jesse Griffiths and Rebecca Sumner Smith.

Remuneration is reviewed and agreed annually by the trustees with reference to salary bands which have been set after consideration of external benchmarking. The Lab is an accredited Living Wage employer and we are committed to ensuring that we pay our staff fairly and in a way which ensures we attract and retain people with the right skills to have the greatest impact in delivering our charitable objectives.

We also worked with a range of freelancers during the year who brought invaluable insight and skill to our work, including: Becca Bartholomew, David Clarke, David Fagleman, Anna Fielding, Sarah King, Jacqueline Lim, Natalie Tucker, Robin Watts and Bryony Walker.

Compliance with the Charity Governance Code for smaller charities

The Charity Governance Code ('the Code') is a voluntary code intended to help charities in England and Wales, and their trustees, develop high standards of governance. The Code has been designed as a tool to support continuous improvement – something core to the Lab's values and systems-focused approach.

The Lab is committed to the aims of the Code. As such, the trustees have resolved to adopt the Code and the Principles as a tool to identify areas to focus on. An updated version of the Code was released in December 2020, and in early 2021 the trustees engaged in a review of the Lab's governance in line with the Code practice. As a result of this we identified diversity, inclusion, equity and justice as a key area of focus (see below).

Diversity, inclusion, equity and justice (DIEJ)

The Lab is committed to providing equality and fairness for all and not to discriminate on any basis, including gender, marital status, race, ethnic origin, colour, nationality, national origin,

Trustees' Report Year ended 31 December 2021

disability, sexual orientation, mental health, religion or age. From the outset, the Lab has worked to build a culture which is open and inclusive, and actively to support diversity, inclusion, equity and justice in our internal practices as well as our programmatic work. During 2021, as part of our work on the updated Charity Governance Code, the Lab set up a working group consisting of board and team members to deepen our work in this area, and to begin preparation of a DIEJ plan. Further information on our progress will be shared on our website as it becomes available.

Financial review

Where did our money come from?

In 2021, we received income from the following sources:

	2021
Grants and donations	
Partners for a New Economy	£112,498
Friends Provident Foundation	£100,000
Green America	£72,000
Joseph Rowntree Charitable Trust	£55,000
Tudor Trust	£52,000
The Sunrise Project	£50,362
Barrow Cadbury Trust	£49,750
Joffe Charitable Trust	£30,000
Other	£78
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Consultancy Income	£ 41,224
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Participant contributions & sponsorship	-
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Interest and reimbursed expenses	-
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Total	£562,912

What did we spend it on?

Our biggest cost is our team: the talented staff and freelancers who design and deliver our programmes.

Pre-COVID, our biggest areas of spend outside of people costs are venue hire and hosting costs for our workshops, conferences, roundtables, events and residential retreats for programmes like our Fellowship. From March 2020, all Lab events shifted to online delivery, reducing costs. As a result, our largest areas of spend in 2021 were rent, IT and accounting costs.

	2021
Staff costs	£309,552
Freelance staff	£75,996
Rent, IT and other running costs	£44,037
Accountancy, audit and legal fees	£23,055
Venues and hosting events	-
Communications and research	£635
Meetings, travel and subsistence	£4,160
Total	£457,435

Results for the year

Total income for the year was £562,912 (2020 - £412,030) of which £196,302 was unrestricted (2020 - £178,790) and £366,610 was restricted (2020 - £233,240). Unrestricted expenditure was £155,004 (2020 - £159,790) resulting in a surplus on unrestricted funds for the year after transfers of £41,298 (2020 – surplus of £19,000). Restricted expenditure was £302,431 (2020 - £218,645) resulting in a surplus on restricted funds for the year after transfers of £64,179 (2020 – deficit of £14,595).

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 2021, the Lab had unrestricted reserves of £126,958, which represented 34% (or 4.07 months) of core operational expenditure. Having reviewed both the policy and reserves level in light of the ongoing uncertainty caused by the coronavirus pandemic, the trustees consider the level of reserves held to be appropriate.

Principle risks and uncertainties

The Trustees actively review both the strategic and operational risks that the Finance Innovation Lab faces. These cover both short and long-term risks and in particular concern financial sustainability and reputation.

Trustees' Report Year ended 31 December 2021

Principle risks and uncertainties facing the Lab during 2021 included:

- The **risk of having insufficient funding and staff** to deliver our ambitious programme of work, leading to the potential for staff burnout and/or poor quality delivery. This risk is actively mitigated in a number of ways, including various policies to support staff welfare, active workload management, and seeking additional funding sources to alleviate pressure rather than simply add additional requirements into our work.
- The **risk of long-term staff sickness** impacting the ability of the Lab to deliver. This is particularly relevant given we are a small team and given the ongoing pandemic. We mitigate this risk similarly to the above – working to ensure there is capacity within the team and budget to flex to unforeseen circumstance – alongside a comprehensive business continuity plan.
- During 2021 we also identified a **risk of holding all funding in a single bank account**. As a small organization this was appropriate, but as our funding position grows we need to diversify bank failure risk by setting up further accounts to make best use of statutory protections. This has already been partly mitigated by managing grant and other payment requests, and the setting up of a second bank account. Mitigation work will continue in 2022.

The Trustees confirm that they are satisfied that strategies, systems and controls are, as far as possible, in place to mitigate significant risks, including those presented by the coronavirus pandemic and measures taken by public authorities to control it.

The Finance and Operational Risk Committee (FORC) of the Board of Trustees regularly reviews the Lab's risk register. The FORC's principal role is one of oversight and scrutiny and it does not relieve the Board of its responsibilities for the monitoring and management of risk. The risk register is also reviewed regularly by the Board of Trustees.

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 trustees.
- Our funders, donors and supporters in the UK and beyond.

Trustees' Report Year ended 31 December 2021

- Our Senior Fellows: Bertrand Beghin, Christine Berry, Fran Boait, Gemma Bone Dodds, Diane Burrige, Martin Campbell, Bruce Davis, Simon Deane-Johns, Anna Fielding, Tony Greenham, Julia Groves, Malcolm Hayday, Nonhlanhla Makuyana, Reema Patel, Faith Reynolds, Karl Richter, Brett Scott, James Vaccaro, Emma Vartolomei and Bryan Zhang.
- The Lab's founding partners, WWF-UK and ICAEW.
- The Lab's co-founders: Charlotte Millar, Jen Morgan, Rachel Sinha and Richard Spencer.

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

Trustees' Report Year ended 31 December 2021

- the trustee has taken all the steps that they 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 12 July 2022 and signed on its behalf by:



Trustee

Christopher Beazley

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 2021 which comprise the statement of financial activities, the balance sheet, the cash flow, 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 2021 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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. The trustees are responsible for the other information contained within the annual report and financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 the directors of the charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

Auditor's responsibilities for the audit of the financial statements (continued)

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at 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: 18 August 2022

Statement of financial activities (incorporating income and expenditure account)
Year ended 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £
Income from:				
Donations	3	155,078	366,610	521,688
Charitable activities	4	41,224	—	41,224
Total income		<u>196,302</u>	<u>366,610</u>	562,912
Expenditure on:				
Raising funds	6	(13,966)	(23,250)	(37,216)
Charitable activities	5	(141,038)	(279,181)	(420,219)
Total expenditure		<u>(155,004)</u>	<u>(302,431)</u>	(457,435)
Net income and net movement in funds		<u>41,298</u>	<u>64,179</u>	105,477
Reconciliation of funds				
Total funds brought forward		85,660	51,119	136,779
Total funds carried forward	17,19	<u>126,958</u>	<u>115,298</u>	242,256

Comparative figures for the year ended 31 December 2020:

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £
Income from:				
Donations	3	156,000	233,240	389,240
Charitable activities	4	22,790	—	22,790
Total income		<u>178,790</u>	<u>233,240</u>	412,030
Expenditure on:				
Raising funds	6	(16,953)	(23,381)	(40,334)
Charitable activities	5	(142,837)	(195,264)	(338,101)
Total expenditure		<u>(159,790)</u>	<u>(218,645)</u>	(378,435)
Net income and net movement in funds		<u>19,000</u>	<u>14,595</u>	33,595
Reconciliation of funds				
Total funds brought forward		66,660	36,524	103,184
Total funds carried forward	17,19	<u>85,660</u>	<u>51,119</u>	136,779

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

Balance sheet as at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible fixed assets	13	7,488	4,760
Current assets			
Debtors	14	550	2,801
Cash at bank and in hand		269,881	158,984
		270,431	161,785
Creditors: amounts falling due within one year	15	(35,663)	(29,766)
Net current assets		234,768	132,019
Net assets		242,256	136,779
Funds of the charity:			
Restricted funds	19	115,298	51,119
Unrestricted funds		126,958	85,660
Total funds	17	242,256	136,779

The financial statements on pages 26 to 38 were approved by the trustees, and authorised for issue on 12 July 2022 and signed on their behalf by:



Christopher Beazley
Trustee

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

Statement of cash flows Year ended 31 December 2021

	Notes	2021 £	2020 £
Cash flows provided by operating activities:			
Net cash used in operating activities	A	115,558	41,086
Cash flows from investing activities:			
Purchase of tangible fixed assets		(4,661)	(4,846)
Net cash provided by investing activities		(4,661)	(4,846)
Change in cash and cash equivalents in the year		110,897	36,240
Cash and cash equivalents at 1 January 2021	B	158,984	122,744
Cash and cash equivalents at 31 December 2021	B	269,881	158,984

Notes to the statement of cash flows for the year to 31 December 2021.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	105,477	33,595
Adjustments for:		
Deficit on disposal of tangible fixed assets	—	1,341
Depreciation charge	1,933	1,318
Decrease in debtors	2,251	7,074
Increase (decrease) in creditors	5,897	(2,242)
Net cash provided by operating activities	115,558	41,086

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	269,881	158,984
Total cash and cash equivalents	269,881	158,984

C Analysis of changes in net funds

	2020 £	Cash flows £	2021 £
Cash at bank and in hand	158,984	110,897	269,881
	158,984	110,897	269,881

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.

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.

Consultancy income (social and sustainable finance and financial reform)

Consulting services income is recognised as services are rendered, and rates are generally based on the prevailing market rate. Consulting income for fixed-price services arrangements is recognised as services are provided.

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.

Governance costs are included within support costs.

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.

2 Principal accounting policies (continued)

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

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 2021 £
Grants from:			
- Charities	155,000	366,610	521,610
- Individuals	78	—	78
	155,078	366,610	521,688

	Unrestricted funds £	Restricted funds £	Total 2020 £
Grants from:			
- Charities	156,000	233,240	389,240
	156,000	233,240	389,240

4 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £
Consultancy (social and sustainable finance and financial reform)	41,224	—	41,224
	41,224	—	41,224

	Unrestricted funds £	Restricted funds £	Total 2020 £
Consultancy (social and sustainable finance and financial reform)	22,470	—	22,470
Participant contributions & Sponsorship	320	—	320
	22,790	—	22,790

5 Expenditure on charitable activities

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £
Direct costs		7,837	6,117	13,954
Staff costs	11	60,015	175,334	235,349
Freelance staff		9,260	66,736	75,996
Allocated support costs	7	63,926	30,994	94,920
		141,038	279,181	420,219

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £
Direct costs		5,007	10,020	15,027
Staff costs	11	75,792	143,912	219,704
Freelance staff		9,400	8,100	17,500
Allocated support costs	7	52,638	33,232	85,870
		142,837	195,264	338,101

6 Expenditure on raising funds

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £
Staff costs	11	6,763	19,757	26,520
Allocated support costs	7	7,203	3,493	10,696
Total		13,966	23,250	37,216

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £
Staff costs	11	10,005	18,995	29,000
Allocated support costs	7	6,948	4,386	11,334
Total		16,953	23,381	40,334

7 Support costs

	Notes	Fundraising costs £ Note 6	Charitable activities £ Note 5	Total 2021 £
Governance	8	458	4,066	4,524
Staff costs	11	4,829	42,854	47,683
Finance		20	178	198
IT		780	6,920	7,700
Legal and Professional		2,985	26,495	29,480
Establishment		1,608	14,266	15,874
Other		16	141	157
Total		10,696	94,920	105,616

	Notes	Fundraising costs £ Note 6	Charitable activities £ Note 5	Total 2020 £
Governance	8	668	5,060	5,728
Staff costs	11	5,676	43,003	48,679
Finance		22	164	186
IT		407	3,083	3,490
Legal and Professional		2,185	16,555	18,740
Establishment		2,350	17,804	20,154
Other		26	201	227
Total		11,334	85,870	97,204

8 Governance costs

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £
Board costs	10	—	88	88
Audit fees	9	95	4,345	4,440
Total	7	95	4,433	4,528

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £
Board costs	10	336	1,185	1,521
Audit fees	9	169	4,038	4,207
Total	7	505	5,223	5,728

9 Net income

Net income for the year is stated after charging:	Notes	2021 £	2020 £
Audit fees	8	4,440	4,207
Operating leases – land and buildings		13,326	18,240
Depreciation		1,933	1,318

10 Trustees' remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2020: Nil).

No other trustees have received any other benefits from the charity during the year (2020: Nil).

Expenses totalling £0 (nil) (2020: £450) for board meeting venue costs and refreshments was spent during the year.

One trustee (2020: five) was reimbursed expenses of £88 (2020: £1,071) for travel to meetings.

Gifts to the total value of £157 (2020: £181) were provided to three trustees on their retirement from the Lab or subsequent to suffering a bereavement.

11 Staff costs

The aggregate payroll costs were as follows:

Staff costs during the year were:	2021 £	2020 £
Wages and salaries	267,055	258,349
Social security costs	29,223	26,167
Employer pension contribution	13,274	12,867
	309,552	297,383

11 Staff costs (continued)

Key management personnel remuneration, which includes employer's National Insurance and pensions, for the year was £141,995 before tax (2020: £143,999). The 2020 figure is higher due to overlap of incoming and outgoing CEO.

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:

	2021 No	2020 No
Average number of employees	6	6

The number of employees whose emoluments, excluding employers National Insurance and pensions, fell within the following bands was:

	2021 No	2020 No
£60,000 - £70,000	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

	2021 Total (computer equipment) £
Cost	
At 1 January 2021	10,014
Additions	4,661
At 31 December 2021	14,675
Depreciation	
At 1 January 2021	5,254
Charge for the year	1,933
At 31 December 2021	7,187
Net book value	
At 31 December 2021	7,488
At 31 December 2020	4,760

14 Debtors

	2021 £	2020 £
Prepayments and rental deposits	550	2,801

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	3,907	3,033
Other taxation and social security	8,889	7,555
Accruals and deferred income	22,867	19,178
	35,663	29,766

16 Financial commitments

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

	Land and Buildings 2021 £	Land and Buildings 2020 £
Operating lease payments due within 1 year	—	1,536

17 Funds

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2021 £
Unrestricted funds					
General	85,660	196,302	(155,004)	—	126,958
Restricted funds	51,119	366,610	(302,431)	—	115,298
Total funds	136,779	562,912	(457,435)	—	242,256

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2020 £
<i>Unrestricted funds</i>					
<i>General</i>	66,660	178,790	(159,790)	—	85,660
<i>Restricted funds</i>	36,524	233,240	(218,645)	—	51,119
<i>Total funds</i>	103,184	412,030	(378,435)	—	136,779

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Tangible fixed assets	4,090	3,398	7,488
Net current assets	122,868	111,900	238,858
Total net assets	126,958	115,298	242,256
	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<i>2020 Total funds</i> £
<i>Tangible fixed assets</i>	<i>987</i>	<i>3,773</i>	<i>4,760</i>
<i>Net current assets</i>	<i>84,673</i>	<i>47,346</i>	<i>132,019</i>
<i>Total net assets</i>	<i>85,660</i>	<i>51,119</i>	<i>136,779</i>

19 Restricted funds

Fund	Balance at 1 January 2021 £	Income £	Expenditure £	Transfer between funds £	Balance at 31 December 2021 £
Barrow Cadbury Trust	19,282	49,750	(51,249)	—	17,783
Tudor Trust	—	52,000	(52,000)	—	—
Paul Hamlyn Foundation	4,179	—	(4,179)	—	—
Partners for a New Economy (2020 – 2022)	27,658	112,498	(86,000)	—	54,156
Joffe Charitable Trust	—	30,000	(15,083)	—	14,917
The Sunrise Project	—	50,362	(38,023)	—	12,339
Green America	—	72,000	(55,897)	—	16,103
Total restricted	51,119	366,610	(302,431)	—	115,298

<i>Fund</i>	<i>Balance at 1 January 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfer between funds £</i>	<i>Balance at 31 December 2020 £</i>
<i>Partners for a New Economy</i>	<i>36,524</i>	<i>—</i>	<i>(36,524)</i>	<i>—</i>	<i>—</i>
<i>Barrow Cadbury Trust</i>	<i>—</i>	<i>49,750</i>	<i>(30,468)</i>	<i>—</i>	<i>19,282</i>
<i>Tudor Trust</i>	<i>—</i>	<i>50,000</i>	<i>(50,000)</i>	<i>—</i>	<i>—</i>
<i>Paul Hamlyn Foundation</i>	<i>—</i>	<i>20,000</i>	<i>(15,821)</i>	<i>—</i>	<i>4,179</i>
<i>JRCT</i>	<i>—</i>	<i>992</i>	<i>(992)</i>	<i>—</i>	<i>—</i>
<i>Partners for a New Economy (2020 – 2022)</i>	<i>—</i>	<i>112,498</i>	<i>(84,840)</i>	<i>—</i>	<i>27,658</i>
<i>Total restricted</i>	<i>36,524</i>	<i>233,240</i>	<i>(218,645)</i>	<i>—</i>	<i>51,119</i>

Tudor Trust – grant to support core operational costs.

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 Trust, Paul Hamlyn Foundation and Joffe Charitable Trust – project grants for our programme focusing on financial policy and regulation.

The Sunrise Project and Green America - project grants for our programme focusing on shifting mainstream finance.

During the year the Lab hosted a grant of £15,000 provided by Friends Provident Foundation to Decolonising Economics for their work developing BPOC leadership in the solidarity economy. This was paid on in full to Decolonising Economics, with £nil retained by the Lab, and has therefore been excluded from the table above.

20 Related party transactions

In October 2021 climate lawyer Tessa Khan, who has successfully taken The Netherlands and Irish governments to court over climate inaction, joined the Climate Safe Lending Fellowship as a guest speaker for which she was paid a nominal fee of £500. This is the same fee paid to other speakers. Tessa Khan is the wife of our CEO, Jesse Griffiths.