

COMPANY NUMBER
REGISTERED CHARITY NUMBER

2788116
1017352

CENTRE FOR THE STUDY OF FINANCIAL INNOVATION

(A company limited by guarantee)

FINANCIAL STATEMENTS

31 March 2015

Lindeyer Francis Ferguson Limited

Chartered Accountants

CENTRE FOR THE STUDY OF FINANCIAL INNOVATION
(A company limited by guarantee)
FOR THE YEAR ENDED 31 MARCH 2015

ANNUAL REVIEW AND FINANCIAL STATEMENTS

Company Number: 02788116

Charity Number: 1017352

Board of Trustees (Directors)

Sir Brian Pearse - Chairman

Sir David Bell

Resigned 5 September 2015

Mr David Lascelles

Mr Robin Monro-Davies

Deceased 19 September 2015

Sir Malcolm Williamson

Secretary

Mr David Lascelles

Director of the Centre

Dr Andrew Hilton

Governing Council

Sir Malcolm Williamson – Chairman

Mr Geoffrey Bell

Mr Rudi Bogni

Mr Philip Brown

Mr Abdullah El-Kuwaiz

Prof Charles Goodhart

Mr John Heimann

Mr John Hitchens

Mr Rene Karsenti

Dr Henry Kaufman

Sir Andrew Large

Mr David Lascelles

Mr John Plender

Mr David Potter

Mrs Belinda Richards

Mr Mark Robson

Mr David Rule

Mrs Carol Sergeant

Sir Brian Williamson

Mr Peter Wilson-Smith

Office

First Floor

73 Leadenhall Market

London

EC3V 1LT

Registered Office

North House

198 High Street

Tonbridge

Kent

TN9 1BE

Website

www.csfi.org

Auditors

Lindeyer Francis Ferguson Limited

North House

198 High Street

Tonbridge

Kent

TN9 1BE

Bankers

NatWest

Westminster Branch

57 Victoria Street

London

SW1H 0HN

Solicitors

Linklaters

1 Silk Street

London

EC2Y 8HQ

CENTRE FOR THE STUDY OF FINANCIAL INNOVATION
(A company limited by guarantee)
FOR THE YEAR ENDED 31 MARCH 2015

REPORT OF THE TRUSTEES

The Trustees present their report together with the audited financial statements for the year ended 31 March 2015.

Administrative details of the Charity and its Trustees

Centre for the Study of Financial Innovation is an incorporated Charity (Company number 2788116; Charity number 1017352), which is governed by its Memorandum and Articles of Association.

The following have served as trustees during the year:-

Sir Brian Pearse - Chairman

Sir David Bell

Resigned 5 September 2015

Mr David Lascelles

Mr Robin Monro-Davies

Deceased 19 September 2015

Sir Malcolm Williamson

Details of the Governing Council, the bankers, solicitors and auditors are given on page 1.

The day to day affairs of the Charity are managed by Dr Andrew Hilton, the Director of the Centre, and the principal place of operation is at 73 Leadenhall Market, London, EC3V 1LT.

Structure, governance and management

The Trustees (who are the directors of the company) are responsible for managing all the aspects of the Charity, assisted by the Governing Council, which exercises broad control over the Centre's work programme. The work programme is initiated and supervised by the Advisory Council which also advises both the Board of Trustees and the Governing Council on matters connected with the research and educational work of the company. The members of both councils are appointed by the Trustees.

The Trustees have the power to appoint any person to be a Trustee, but the total number of Trustees shall not at any time be less than three. Any Trustee so appointed will serve only until the next Annual General Meeting at which he may stand for re-election. Trustee training and induction is available.

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Objectives and activities

The charity is established to promote the advancement of education by promoting, encouraging, conducting and commissioning research into the international financial system and its constituent elements, including in particular, areas of change and innovation within that system, emergent trends and new financial products; and publishing or otherwise disseminating the results of such research and promoting a forum for its discussion.

CENTRE FOR THE STUDY OF FINANCIAL INNOVATION
(A company limited by guarantee)
FOR THE YEAR ENDED 31 MARCH 2015

REPORT OF THE TRUSTEES (CONTINUED)

Public benefit

The Trustees, in exercising their powers and duties, have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Achievements and performance

The Charity has continued its activities by hosting events at which specific matters relating to the international financial system are discussed and at which information is disseminated. In addition, the Charity has published a number of papers and documents of relevant and pertinent matters.

The Charity has continued to raise funds by providing editorial material to commercial financial publications.

The Trustees believe that these activities have been successful and plan that in future years the objectives of the Charity should continue to be met in this way.

The trustees have maintained reserves at a level to provide 3-6 months of operating expenses. The trustees believe the current level of reserves are sufficient but not excessive, for this purpose.

Financial review

Unrestricted voluntary income increased to £296,798 (2014: £248,303). Expenditure from unrestricted funds on charitable activities was down slightly from £354,625 in 2014 to £342,580 in 2015.

The income from activities for generating funds increased sharply to £356,786 (2014: £284,136) as a result of increased activity, and the CSFI 21st Birthday event. There was an increase in costs of generating these funds to £215,798 (2014: £175,398) which is again as a result of the increased activity and the Birthday event.

This has resulted in an unrestricted fund surplus of £88,698 (2014: deficit of £7,250), with the balance of unrestricted funds at the end of the year standing at £313,547 (2014: £224,849).

The Trustees consider this to be satisfactory and appropriate to the Charity's needs.

Restricted fund income fell considerably to £40,622 from £154,608 in 2014, with expenditure from those restricted funds rising to £133,192 from £94,524 in 2014. This was because the funding for a number of projects was received in 2014, but the majority of the work on these projects was completed in 2015.

As a result the restricted funds at the year-end fell from £121,660 in 2014 to £29,090 in 2015. The remaining balance will be used for the relevant restricted projects in the coming year(s).

Trustees' responsibilities in relation to the financial statements

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

CENTRE FOR THE STUDY OF FINANCIAL INNOVATION
(A company limited by guarantee)
FOR THE YEAR ENDED 31 MARCH 2015

REPORT OF THE TRUSTEES (CONTINUED)

The Trustees are required to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

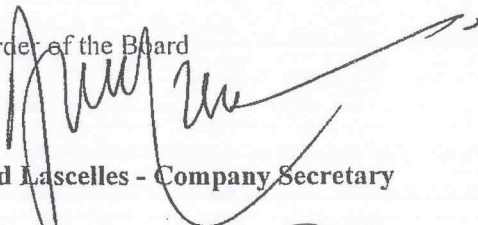
So far as the Trustees are aware there is no relevant audit information of which the company's auditors are unaware. Additionally the Trustees have taken all the necessary steps they ought to have taken as Trustees in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Lindeyer Francis Ferguson Limited are deemed re-appointed as auditors of the company in accordance with section 487(2) of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime in Part 15 of the Companies Act 2006.

By order of the Board


David Lascelles - Company Secretary

17 December 2015

CENTRE FOR THE STUDY OF FINANCIAL INNOVATION
(A company limited by guarantee)
FOR THE YEAR ENDED 31 MARCH 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE CENTRE FOR THE STUDY OF FINANCIAL INNOVATION

We have audited the financial statements of The Centre for the Study of Financial Innovation for the year ended 31 March 2015, which comprise the Statement of Financial Activities, the Income & Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006 and the Charities Act 2011. 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the directors and auditors

As explained more fully in the Trustees' Responsibilities Statement on pages 3-4, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all financial and non-financial information in the Trustees' Report to identify any material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in course of the performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including 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.

CENTRE FOR THE STUDY OF FINANCIAL INNOVATION
(A company limited by guarantee)
FOR THE YEAR ENDED 31 MARCH 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE CENTRE FOR THE STUDY OF FINANCIAL INNOVATION (CONTINUED)

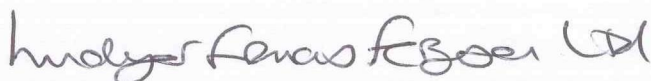
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Jonathan Healey FCA (Senior Statutory Auditor)

Date: 18 December
2015.

For and on behalf of Lindeyer Francis Ferguson Limited
Chartered Accountants
Statutory Auditors

North House
198 High Street
Tonbridge
Kent
TN9 1BE

CENTRE FOR THE STUDY OF FINANCIAL INNOVATION
STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE
ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

	Note	General Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Incoming resources					
Incoming resources from generated funds	2				
Voluntary income		296,798	40,622	337,420	402,911
Activities for generating funds		356,786	-	356,786	284,136
Investment income		125	-	125	199
Total incoming resources		653,709	40,622	694,331	687,246
Resources expended					
Cost of generating funds	3	215,798	-	215,798	175,398
Charitable activities costs	3	342,580	133,192	475,772	449,149
Governance costs	6	6,633	-	6,633	9,750
Total resources expended		565,011	133,192	698,203	634,297
Net incoming / (outgoing) resources before transfers		88,698	(92,570)	(3,872)	52,949
Net movement in funds		88,698	(92,570)	(3,872)	52,949
Funds brought forward at 1 April 2014	12	224,849	121,660	346,509	293,560
Funds carried forward at 31 March 2015	12	313,547	29,090	342,637	346,509

There are no recognised gains or losses other than those passing through the statement of financial activities. All incoming resources and resources expended derive from continuing activities.

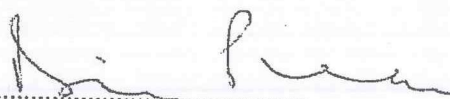
**CENTRE FOR THE STUDY OF FINANCIAL INNOVATION
BALANCE SHEET**

AS AT 31 MARCH 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	9	-	217
		<u>-</u>	<u>217</u>
Current assets			
Debtors	10	92,720	64,125
Cash at bank and in hand		293,557	323,672
		<u>386,277</u>	<u>387,797</u>
Creditors: amounts falling due within one year	11	(43,640)	(41,505)
Net current assets		<u>342,637</u>	<u>346,292</u>
Total net assets		<u><u>342,637</u></u>	<u><u>346,509</u></u>
Represented by:			
General fund	12	313,547	224,849
Restricted funds	12	29,090	121,660
		<u>342,637</u>	<u>346,509</u>

These financial statements have been prepared in accordance with the provisions applicable to the small companies regime within part 15 of the Companies Act 2006 and with the Financial Reporting for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 17 December 2015 and were signed on its behalf by:



Sir Brian Pearse - Chairman
Trustee

Company number: 2788116

**CENTRE FOR THE STUDY OF FINANCIAL INNOVATION
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting policies

Accounting convention

The financial statements are prepared under the historic cost convention, and in accordance with the Companies Act 2006, in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Assets over £1,000 are capitalised. Depreciation is provided as follows to write off the cost less estimated residual value over an asset's expected useful life:

Fixtures, fittings and equipment - 33.3% on cost

Value Added Tax

The activities of the charitable company have led to it being partially exempt for VAT purposes. Irrecoverable VAT is included in support costs.

Incoming resources

Incoming resources are recognised when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following policies apply to particular categories of income:

Voluntary income

General grants and donations are recognised when receivable. Earmarked donations are accounted for as restricted funds and matched against related expenditure.

Income from grants is recognised to the extent that grants are for services to be provided over a specified period, or if the grants are conditional upon the delivery of a specified level of services. Grants to which the charitable company is not yet entitled under these circumstances are deferred.

Incoming resources from generated funds

Income is recognised in line with the work completed on publications or when events occur.

Resources expended

All expenditure is accounted for on the accruals basis.

Resources expended are analysed between the following headings:

- Costs of generating funds - representing costs incurred in connection with the activities for generating funds
- Charitable activities - representing the direct costs of the charitable activities - being the research, publications and events, and the support costs incurred to produce these.
- Governance costs - representing the costs of managing the charitable company as a legal entity.

Support costs are allocated across activities on the basis of staff time.

**CENTRE FOR THE STUDY OF FINANCIAL INNOVATION
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting policies (continued)

Operating leases

Rentals payable under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

Fund accounting

The charitable company maintains two types of funds:

- General unrestricted funds are those which can be used in accordance with the charity's objects at the discretion of the Trustees.
- Restricted funds are donations, sponsorship or grants given for a specific piece of work or area of activity.

2 Incoming resources from generated funds

	<i>2015</i>	<i>2014</i>
	£	£
Researching, promoting and disseminating information on international financial systems		
Voluntary income		
Grants and donations	337,420	402,911
Activities for generating funds	356,786	284,136
Investment income		
Bank interest	125	199
	<u>694,331</u>	<u>687,246</u>

3 Resources expended

	<i>2015</i>	<i>2014</i>
	£	£
Cost of generating funds		
Direct costs	215,798	164,187
Donations payable	-	11,211
	<u>215,798</u>	<u>175,398</u>
Charitable activities costs		
Staff costs (note 7)	269,665	271,423
Direct costs (note 4)	119,153	94,858
Support costs (note 5)	86,954	82,868
	<u>475,772</u>	<u>449,149</u>

**CENTRE FOR THE STUDY OF FINANCIAL INNOVATION
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2015

4 Direct costs

	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
Research and publications	58,075	30,230
Round tables	61,078	64,628
	<u>119,153</u>	<u>94,858</u>

5 Support costs

	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
Premises	57,007	58,074
Office costs including PPS	8,466	11,808
Communications	5,337	4,360
Travel	1,779	1,293
Sundry expenses	1,019	1,765
Irrecoverable VAT	12,124	4,565
Bank Charges	1,005	785
Depreciation	217	218
	<u>86,954</u>	<u>82,868</u>

6 Governance costs

	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
Audit	3,800	3,600
Auditor's remuneration for non-audit services	2,833	5,025
Governing Council dinner	-	1,125
	<u>6,633</u>	<u>9,750</u>

**CENTRE FOR THE STUDY OF FINANCIAL INNOVATION
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2015

7 Staff costs

	<i>2015</i>	<i>2014</i>
	£	£
Wages and salaries	244,631	244,431
National insurance	25,034	26,992
	<u>269,665</u>	<u>271,423</u>

One employee received remuneration of between £70,001 and £80,000.

Apart from this, no Trustee nor connected person received any remuneration or reimbursed expenses.

The average number of full time equivalent employees / self-employed tutors during the period, analysed by function, was:

	<i>2015</i>	<i>2014</i>
	<i>Number</i>	<i>Number</i>
Projects and research	2	2
Fundraising and communications	1	1
Management, finance and administration staff	3	3
	<u>6</u>	<u>6</u>

8 Taxation

As a registered charity, CSFI is exempt from taxation so income and gains to the extent that these are applied to its charitable objectives. No tax charge has arisen in the year.

CENTRE FOR THE STUDY OF FINANCIAL INNOVATION
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

9 Tangible fixed assets

	<i>Fixtures, fittings and equipment</i>	<i>Total</i>
	£	£
Cost or valuation		
At 1 April 2014	15,104	15,104
At 31 March 2015	<u>15,104</u>	<u>15,104</u>
Depreciation		
At 1 April 2014	14,887	14,887
Charge for the year	217	217
At 31 March 2015	<u>15,104</u>	<u>15,104</u>
Net book value		
At 31 March 2015	<u>-</u>	<u>-</u>
At 31 March 2014	<u>217</u>	<u>217</u>

10 Debtors

	<i>2015</i>	<i>2014</i>
	£	£
Fees for services	82,767	24,172
Rent deposit	9,953	9,953
Prepayments & accrued income	-	30,000
	<u>92,720</u>	<u>64,125</u>

The landlord has a registered Mortgage Charge against the rent deposit.

11 Creditors: amounts falling due within one year

	<i>2015</i>	<i>2014</i>
	£	£
Taxation and social security	21,889	17,743
Accruals	21,751	23,762
	<u>43,640</u>	<u>41,505</u>

**CENTRE FOR THE STUDY OF FINANCIAL INNOVATION
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2015

12 Movement on funds

	<i>1 April 2014</i>	<i>Incoming resources</i>	<i>Resources expended</i>	<i>31 March 2015</i>
	£	£	£	£
Restricted funds				
Banking Banana Skins	28,655	15,500	(44,155)	-
Insurance Banana Skins	-	25,000	(3,536)	21,464
Microfinance Banana Skins	27,506	122	(27,628)	-
Development Fellowship	2,000	-	-	2,000
Academic Directory	1,225	-	-	1,225
Credit Unions/Financial exclusion	500	-	(500)	-
Insurance fellowship	35,974	-	(35,974)	-
Pensions fellowship	25,800	-	(21,399)	4,401
	<u>121,660</u>	<u>40,622</u>	<u>(133,192)</u>	<u>29,090</u>
Unrestricted funds	224,849	653,709	(565,011)	313,547
Total funds	<u>346,509</u>	<u>694,331</u>	<u>(698,203)</u>	<u>342,637</u>

Banana Skins

Microfinance (July 2014) editions were published in the year, with Insurance (July 2015) published post year end.

Development Fellowship

This series of projects is funded by Citigroup and DfID, and is enabling an individual to carry out research into Development issues. Round Table events have been held and further events will be held in the coming year. The outcome of the research will be published.

Academic Directory

The Academic Directory project was launched in January 2012. This is a free online directory for academics and experts to link with City practitioners.

Credit Unions

The Report on Credit Unions was completed in the year.

Insurance fellowship

Funded by Swiss Re, the project began in summer 2013 and featured a final report and round table events during the year.

Pensions fellowship

Funded by the Pension Insurance Corporation (PIC), the project includes round tables and a final report published in July 2015.

**CENTRE FOR THE STUDY OF FINANCIAL INNOVATION
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2015

13 Analysis of net assets between funds

	<i>General Funds</i>	<i>Restricted Funds</i>	<i>Total Funds</i>
	<i>2015</i>	<i>2015</i>	<i>2015</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Tangible fixed assets	-	-	-
Current assets:			
Debtors	67,720	25,000	92,720
Cash at bank	289,467	4,090	293,557
Current liabilities	(43,640)	-	(43,640)
	<u>313,547</u>	<u>29,090</u>	<u>342,637</u>

14 Financial commitments

At 31 March 2015 the charitable company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2016.

	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
Operating leases which expire:		
Between two and five years	33,175	33,175
	<u>33,175</u>	<u>33,175</u>

15 Control

The charity is a company limited by guarantee. There is no ultimate controlling party and the charity is controlled by its Board of Trustees.