

The Innocent Foundation (a company limited by guarantee)

Report and Financial Statements

Year Ended

30 June 2021

Contents

Administrative Details.....	2
Trustees' Annual Report	3
Statement of Trustees' responsibilities	16
Independent Auditor's Report to the Members and Trustees of The Innocent Foundation.....	17
Statement of financial activities (including income and expenditure account) for the year ended 30 June 2021	21
Balance sheet	22
Statement of Cash Flows	23
Notes to the financial statements at 30 June 2021	24

The Innocent Foundation (a company limited by guarantee)

Registered No. 05054312

Charity No. 1104289

Administrative Details

Trustees

Adam Balon
Christina Archer
Camilla Knox-Peebles
Douglas Lamont
Jon Wright
Richard Reed
Sarah-Jane Norman

The Innocent Foundation Guardians

Alex Anthony
Arantxa Calzado
Christiaan van Doornik
Dan Jones
Daniel Angadi
Emma Jackson
Jade Bullock
Jimmy Long
Jiri Staats
Kate Northam
Keith Nelson
Laura O'Connell
Leila Dekali
Linda Landin
Louisa Handley
Lucy Peel
Malin Hjerten
Mayya Marinova
Nikoletta Spyropoulou
Rhian Williams
Robyn Vitols
Sam Woollett
Simon Reid
Tariq Khan-Fontain
Tim Dorsett
Tom Burchess
Tom Emberson
Ursi Kotratschek

Employees

Kate Franks (Foundation Director – on maternity leave)
Ben Summers (Acting Foundation Director)
Amy Recknell (Foundation Portfolio Manager – on maternity leave)
Connor Friesen (Foundation Portfolio Manager – maternity cover, appointed May 2021 to start employment 31 August 2021)
Laura Polaine (Senior development Manager – fixed term contract, appointed June 2021 to start employment 19 July 2021)

The Innocent Foundation (a company limited by guarantee)

Registered No. 05054312

Charity No. 1104289

Auditors

Crowe U.K. LLP
Aquis House
49-51 Blagrove Street
Reading
Berkshire RG1 1PL

Bankers

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

Trustees' Annual Report

Address of Charity and Registered Address

The Innocent Foundation
342 Ladbroke Grove
London W10 5BU

The Trustees of The Innocent Foundation ("The Foundation"), who are also directors of the charity for the purposes of the Companies Act, are pleased to present their annual report and financial statements for the year ended 30 June 2021.

Trustees

Currently Trustees are elected and appointed on a need basis. As the sole Member of The Foundation, Innocent Limited appoints Trustees in agreement with the Trustees' Board. The Memorandum and Articles of Association support a minimum of three Trustees. Of the seven current Trustees, three Founder Trustees have been on the board since inception in 2004. Sarah-Jane Norman and Douglas Lamont are current employees of Innocent Limited and Christina Archer and Camilla Knox-Peebles are external appointments. Trustees serve a two-year term, with the option for the Trustees to reappoint.

New Trustees attend suitable induction and training with The Foundation Director and existing Trustees to familiarise themselves with the charity, its governance and the context within which it operates.

Management

The Trustees are supported in the day-to-day management of The Foundation by The Foundation Director and Portfolio Manager. For the 2021-22 financial year, The Foundation has appointed a Senior Development Manager on a 12-month fixed term contract to provide additional capacity.

The Foundation staff support the effective running of The Foundation by managing relationships with partner organisations. They make grant recommendations to the Trustees in accordance with agreed grant-making policies. Trustees make decisions about grants at Trustee Meetings which are typically held on a quarterly basis.

The Foundation employees' pay and remuneration are set with reference to sector benchmarks and are periodically reviewed against comparable organisations using market data. Pay and benefit changes are approved by the full Trustee Board. The Foundation's employees receive

ongoing performance management and an annual feedback report which provides feedback from the Trustees, Foundation Guardians and external grant partners.

The Director is helped by Foundation Guardians who are employees of Innocent Limited. They are identified through an invitation to all Innocent Limited employees to get more actively involved in The Foundation as volunteers and are appointed for a period of two years. The Foundation Guardians volunteer their time to work with partner organisations, update other Innocent Limited employees about The Foundation, and act as ambassadors for The Foundation.

Legal status

The charitable, limited by guarantee, company was incorporated on 24 February 2004 (company registration number 05054312) and registered with the Charity Commission on 11 June 2004 (charity registration number 1104289). It is governed by the Company Memorandum and Articles of Association.

Related Parties

The charitable company's sole member is Innocent Limited, and The Foundation is primarily funded through donations from Innocent Limited and its shareholders. The Trustees recognise their charitable responsibilities and state formally that the charity's activities will always be consistent with achieving its objects. Any benefit which may accrue to Innocent Limited from The Foundation's activities will be incidental and outweighed by the contribution to The Foundation's charitable objectives. Please see note 14 for further Related Party transaction details.

Changing ways of working in response to COVID-19

We are aware that the COVID-19 pandemic has put additional pressure on our partners and changes to local operating conditions in country may necessitate projects are delayed, redesigned or closed. We stay in regular contact with partners to understand any ongoing impact and have offered flexible funding reallocation, the adaptation of project activities and more generous reporting timelines.

With the continuation of the pandemic, we have added structure to managing this dynamic situation.

1. Staying informed and adjusting plans.

The Foundation suspended all international travel during the reporting period. Without the option for monitoring visits, we asked our partners to complete a COVID-19 impact form in addition to their routine reporting. This document describes how COVID-19 is impacting project delivery and provides broader context on the geographical region as 'waves' of cases occur in different regions at different times. By summarising activities that have been paused, delayed, or altered we can work with our partners in an agile way. Recording mitigation efforts and lessons learnt helps us all to reflect and may highlight opportunities where The Foundation can share good practice across the different partners we support. The form sets out future review dates for what is a dynamic situation.

2. Flexibility.

Travel restrictions and limits on group activities has made it impossible for our partners to deliver certain project activities on time. In the reporting period we granted no cost extensions to AfriFarms, Aga Khan Foundation and Concern Worldwide. With the seasonal nature of the agricultural projects we fund, some of these extensions add 12 months to the project lifecycle.

For Send a Cow, a no cost extension was not suitable. Instead, we updated the budget allocation of our funding to bring greater emphasis on project evaluation and learning, in response to the challenges faced.

3. Budget increases.

The Foundation allocated additional funding where partners requested support for unforeseen project costs such as the purchase of personal protective equipment. In the reporting period Renewable World received an extra £4,445 and Practical Action received an extra £10,546 (this larger amount included funds to hire a local consultant when one of Practical Action's employees was unable to travel across international borders to support project delivery).

Going forward, a contingency fund of £30,000 has been included into our 2020-21 budget and The Foundation has updated our Delegation of Authority policy. Under this new policy, The Foundation Director can now add up to £10,000 to an existing grant on three occasions within the financial year, thereby ensuring fast and flexible support for our partners during challenging times.

4. Emergency funding.

In May and June 2020, The Foundation made four emergency grants to support partners with COVID-19 response projects. In the reporting period, our partners continued to deliver these projects including awareness raising activities, setting up sanitation facilities and providing seeds where agricultural supply chains had been disrupted. The Foundation did not make any further COVID-19 emergency grants, however in accordance with our reserves policy, we have £200,000 which Trustees can utilise in response to future emergencies.

5. Partnership Fund.

Many NGOs are suffering unprecedented drops in their income due to the economic impact of COVID-19, while facing growing needs within the communities they serve. This is putting even the best run organisations in incredibly difficult positions. In June 2020, The Foundation contacted 11 of our active and previous partners to better understand their financial situation and identify opportunities to help using our free reserves. Each partner was assessed for financial need and for strategic importance to The Foundation's ambitions.

This resulted in our most significant COVID-19 response, the launch of our Partnership Fund in November 2020. In a time of crisis, we wanted to use our funds to protect the key capabilities of our long-term partners and ensure consistent progress towards our Goal 1 and Goal 2 ambitions. This funding was unrestricted but targeted at partners who were actively planning to make operational or strategic changes that strengthen their organisation to emerge from the COVID-19 crisis better able to deliver on their charitable objectives. Two partners received a grant from our Partnership Fund, Action Against Hunger (£568,000) and Send a Cow (£332,000). In both instances, the grant covered anticipated budget deficits, enabling each organisation to forge ahead with their plans. Each partner continues to update The Foundation each quarter (until April 2022) on how their organisational changes are progressing and on their latest financial situation.

Our 2020-21 budget includes a modest (£50,000) allocation for additional Partnership Fund grants.

Risk Management

The Trustees have conducted a review of the major risks to which The Foundation is exposed. Risks are assessed on the basis of their likelihood and potential impact, along with the mitigation strategies in place to manage them in line with the board's risk appetite. They are recorded in a risk register which is regularly reviewed by the Trustees and updated and approved annually. Where appropriate, systems or procedures have been established to manage the risks the charity

faces. The Foundation Director continually monitors changes in risk levels or emergence of new risks that may impact upon the organisation and escalates any concerns to the Trustees. The Trustees consider the following to be the key risks that The Foundation faces:

- *Funding from our principle donor, Innocent Ltd, reduces or stops:* The Foundation has a rolling minimum annual £1m commitment agreed with Innocent Ltd, with a two-year notice clause of any change, subject to certain conditions. If this risk were to materialise, our key concern would be to ensure that any ongoing grant commitments to partner organisations can be met. This is mitigated by our reserves policy which requires that we have enough reserves to cover these commitments.
- *COVID-19 and implications on external financial, organisational or programmatic failure:* We work through independent partners who deliver projects to alleviate hunger with our funding. There is a risk that some of the projects we support may fail to achieve their objectives if our partners lack the capacity to deliver, especially when operating in challenging contexts. It is also possible that a partner may experience other adverse events such as fraud, theft, safeguarding issues or other incidents which harm their work, beneficiaries or reputation. Apart from failing to deliver effective support to hungry people, this could also damage our reputation.

To mitigate these risks, we conduct thorough due diligence on our partners before providing funding. We adopt a risk-based approach, using risk factors including the size of the grant, the nature of the applicant, the nature of the project, the geographic location of the project and the nature of the relationship between The Foundation and the applicant. We monitor all our projects biannually through a formalised report review process. We also ask our partners to inform us if they report a Serious Incident to the Charity Commission. Where concerns are noted, we provide feedback to partners and follow up on minor issues. If major concerns arise, our standard grant agreement terms and conditions enable us to terminate a grant.

With the COVID-19 pandemic, organisations have had to react quickly to adopt remote working and supervision processes. Many organisations, and individuals, are also facing financial challenges as the economic impact of the pandemic is felt. Therefore, we have updated our risk register to reflect the elevated likelihood of these external financial and organisational risks. However, the overall risk output remains amber and does not deviate from the level of risk we can tolerate. We have also strengthened our mitigation activities (as described above) to include specific COVID-19 impact reporting and made No Cost Extensions or additional funding available to our partners to maintain adequate capacity to deliver successful projects.

- *Internal financial control failure:* Risks are minimised by the implementation of procedures for authorisation of transactions and projects. An annual review is completed of all processes using the Charity Commission's Internal Financial Controls Checklist. Any findings from our annual external audit are also considered and acted upon.
- *Health and safety of staff and volunteers when visiting projects:* Foundation staff, Trustees and Innocent employee volunteers visit projects around the world most years. To ensure their health and safety, comprehensive guidance is provided and risk assessments are completed before a trip is approved. Pre-trip security briefings are conducted with input from host organisations, FCDO travel advice and external security advisory services. Travellers are required to obtain and comply with independent health advice before departure. Comprehensive travel insurance is in place. All international travel was suspended from March 2020 until further notice due to the COVID-19 pandemic. Trip risk assessments and travel insurance will be updated to consider COVID-19 safety before international travel resumes.
- *Loss of key staff:* The Foundation usually operates with two employees. Inevitably resources are spread thinly, and detailed knowledge of operations is concentrated. To mitigate this, an

operations manual exists to document key resources and processes. Two Finance Guardians are responsible for financial reporting, analysis and managing the annual audit to ensure knowledge and experience is shared. During the reporting period, Trustees approved a temporary headcount increase to three employees, appointing a full-time Senior Development Manager in June 2021 (on a fixed-term contract for July 2021 to July 2022). This will improve The Foundation's resilience to staff changes and facilitate more time to be dedicated to strategic planning.

Objects of the charity

The objects of the charity are to advance all purposes charitable under the law of England and Wales. The purpose of The Foundation over the reporting period was to help the world's hungry.

As a grant-giving organisation we seek out other non-governmental organisations, charities and not-for-profit organisations working in the field of hunger alleviation to offer them the opportunity to apply for funding to deliver their projects.

To achieve our purpose in 2020-21, our grant-making policy states that we will fund work under two interrelated goals:

Goal 1: stop children dying of hunger. Globally there are 45 million children with acute malnutrition, of which over 13 million suffer from severe acute malnutrition. These children are eleven times more likely to die than their healthy peers, but it doesn't have to be this way, as 80% of children that complete treatment are cured. However, currently only 30% of children get the treatment they need. That's why we invest in research to test, and put into practice, better ways to identify and treat these vulnerable children. These research studies have the potential to change national and global policy and practice, part of collective effort to eradicate acute malnutrition and stop millions of children dying each year.

Goal 2: help the poorest families feed themselves. 90% of the world's farmers are small family farms in less economically developed countries. Despite producing 80% of the world's food, many of these smallholder farmers are poor, food insecure and have limited access to markets and services. We want to break this paradox, prioritising countries rated serious or alarming on the Global Hunger Index. We invest in entrepreneurial teams that have scalable ideas to help families become more food secure and increase their resilience to challenges like climate change.

The Foundation's grant-making policy further states that each organisation must:

- benefit a community rather than individuals
- be a not-for-profit organisation
- be pursuing charitable purposes
- consider taking part in The Foundation's scholarship programme which offers employees of Innocent Limited the opportunity to volunteer with partners, using their business skills to bring benefit to the organisation. There are up to three scholarships a year.

Principal activities of the charity and public benefit

The Trustees have given adequate consideration to Charity Commission published Guidance on the operation of the Public Benefit requirement.

Review of charitable activity

During the reporting year, The Foundation received £949,640 in donations (year ending June 2020 - £950,147). Innocent Ltd donated £950,000, but a refund to Innocent Ltd for an overpayment in year 2020 has been accounted for. In addition, Innocent Ltd paid £50,000 to The Foundation as a licence fee. The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

The Foundation gave grants to organisations (detailed below) with total donations amounting to £1,437,535 in the year (year ending June 2020 - £1,283,479). The Foundation works closely with project partners to ensure the greatest impact of the funds it invests in projects.

The Foundation supported 18 projects during this reporting period. We work in collaboration with our partners to achieve specific project objectives. These objectives are mutually agreed at the outset of each project and are set out in a signed Memorandum of Understanding or Deed of Grant (depending on the size of the grant). Progress against project objectives is monitored through six monthly reports.

Goal 1 Grants

ALIMA, Democratic Republic of Congo (Aug 2018 – Dec 2021): We are funding OptiMA, a research project investigating how to optimise acute malnutrition treatment in children aged from 6 to 59 months. It is a community-based randomised nutrition trial of a simplified treatment protocol in Kasai Occidental, Democratic Republic of Congo. The Alliance for International Medical Action (ALIMA) is leading it, working with INSERM at the Université de Bordeaux. The project aims to simplify diagnosis and treatment of acute malnutrition in children without compromising the quality of care. If successful, OptiMA will initiate nutritional support earlier, and give more children access to treatment for a similar cost to the current approach. The OptiMA study concluded its field phase in July 2020. Compared to the national protocol, OptiMA treated 30% more children using 20% less therapeutic food, with significantly better weight, muscle and sub-cutaneous fat gain over six months. In 2021 The Foundation granted an additional £129,869 to support ALIMA to complete additional analysis on the wealth of data collected. ALIMA is now working on seven peer-reviewed papers and have already presented some findings at a conference organised by Médecins Sans Frontières.

Concern Worldwide, Kenya (Aug 2018 – Dec 2021): The CeaSurge project combines Concern Worldwide's well regarded IMAM Surge Approach with Family MUAC to improve early detection, referral and prevention of acute malnutrition in Kenya. Concern Worldwide, supported by Trinity College Dublin's School of Medicine, is working in areas where the Surge Approach has set up early warning systems to prepare health systems to respond to increased demand for nutrition services. In this research, caregivers are trained to use Mid-Upper Arm Circumference (MUAC) identify acute malnutrition in children. The project brings together these two separate severe acute malnutrition interventions that we know work, to find out if they operate even more effectively when combined and enhance the delivery of nutrition services at the community level. This study has now demonstrated that caregivers can identify malnourished children and refer them early. One major principle of malnutrition management is early identification. Out of all the referrals done in the intervention sites, almost a third were referred by mothers. Given that only 32% of the mothers were trained in the area, there is a huge potential for scale up. In its later stages, this study contributed to the Kenyan Ministry of Health adopting the approach to support continuity of nutrition services in the context of COVID-19. Concern Worldwide sits on the technical committee guiding implementation, so far 10 counties have started to roll out the approach (with a target of 18 counties). The Foundation has granted a No Cost Extension to December 2021 for Concern Worldwide to work on research dissemination.

Washington University of St Louis, Sierra Leone (Aug 2018 – Oct 2020): This project is "The Hi-MAM Study: Treatment of High-Risk Moderate Acute Malnutrition using expanded admission

criteria" Led by Washington University School of Medicine, it also includes Project Peanut Butter and the Centre for Global Child Health at the Toronto Hospital for Sick Kids. One of the best ways to combat severe acute malnutrition and its associated risks is to intervene before children become severely malnourished in the first place. The research team have identified four high-risk indicators which may signal that a child is about to deteriorate from moderate to severe acute malnutrition and tested two different types of early intervention to see if they can prevent severe acute malnutrition and help children survive and thrive.

The research found that the provision of therapeutic food and antibiotics to high-risk children with moderate acute malnutrition (MAM) improved short-term recovery (at three months) and reduced short-term risk of deterioration. However, recovery rates were still suboptimal, and differences were not sustained after six months suggesting further research is needed. A longer, more holistic package of interventions may be needed. Likewise, the definition of high-risk children with MAM needs further study. In the context where this research took place, the study highlighted several criteria for identifying high-risk children. Appropriate criteria were found to be; low mid-upper arm circumference, low weight-for-age, declining anthropometry, young age, twin status, history of severe acute malnutrition and recent morbidity. Overall, the results build on previous studies and support a shift in current management of acute malnutrition in favour of a model which provides a continuum of care for all acutely malnourished children through better identification of risk. This is an important area of research as there is currently no consistent guidance on how best to manage more than 30 million children suffering from moderate acute malnutrition around the world.

Goal 2 Grants

AfriFarms, Kenya (Autumn 2021 – Autumn 2022): On the shores of Lake Naivasha, Kenya, fisherfolk find that the fish they catch in the morning are no longer fresh by the afternoon; meaning they are either not edible or of a poor nutritional content. This means a reduced income and a poorer diet for struggling communities. The Foundation is funding the design and testing of a lightweight, solar-powered fridge so that fish stay fresh, remain edible and fetch a higher price when it comes to selling at market. The project will test fridges with 50 fishermen and women, gathering data on usage, temperature, location, income and other metrics to assess the viability of the fridges for wider roll-out. The start of this project has been delayed from July 2020 due to COVID-19. Some preparatory activities are ongoing, including stakeholder mapping and engagement, and supply chain analysis. AfriFarms anticipate launching the project in the Autumn 2021, if it is safe and permissible to do so. The Foundation periodically checks in with AfriFarms and updates our mutual MoU as appropriate to reflect changing timelines.

Aga Khan Foundation, Madagascar (Jul 2019 – Jul 2023): The Foundation is funding the Aga Khan Foundation's project to promote better rice growing practices as rice grown locally doesn't meet national demand and has to be supplemented with rice imports. The SPEEDRICE project trains farmers to grow more, better quality rice using something called the Zanatany Rice Permaculture System (ZRPS). ZRPS combines a series of techniques in rice growing, including labour-saving and climate-smart techniques. This project plans to help 20,000 farmers grow up to 50% more rice. By January 2021, training had been given to 12,077 farmers, and year one harvest results from August 2020 revealed that the lowest yield recorded was 3.5 tons per hectare, a 133% increase on the historical average yields from traditional growing methods. Lockdowns in Madagascar in response to COVID-19 has delayed progress on some activities. However, acknowledging the promising start to the project, The Foundation has granted a 12-month No Cost Extension. This means an additional full rice growing season can be incorporated to add credibility to the project data collected, as well as provide time to complete all planned activities.

KickStart International, Kenya (Jul 2019 – Nov 2020): The Foundation has supported KickStart's research and development process for their new 'Starter Pump'. The Starter Pump is expected to retail across KickStart's markets in sub-Saharan Africa at ~\$50 (half the price of their

popular Hip Pump model). The pump will help smallholder farmers reliant on rain-fed agriculture to access affordable irrigation, increase their harvests and incomes and escape poverty. Through this project, KickStart has successfully established the process to mass-produce a quality product. In the reporting period, KickStart proceeded to distribute the first batch of 200 pumps in Kenya, with every single farmer benefiting from increased yields and a tool to adapt to a changing climate. 180 of these farmers were able to sell surplus food, this additional income helped 900 family members take a step out of poverty and helped 9,000 people access more fruit and vegetables from within their local community (increasingly important during the pandemic). After this successful pilot project, The Foundation continues to support KickStart to make the Starter Pump available in seven other countries in Africa.

KickStart International, multiple countries (Mar 2021 to Feb 2024): With the research and development complete on KickStart's Starter Pump, this new £360,000 grant will help KickStart launch the starter pump in 7 other countries. During the next three years, KickStart hope to work with 81 partners and 69 agri-dealers to distribute 12,000 pumps across Kenya, Zambia, Malawi, South Sudan, Uganda, Rwanda, Mozambique and Nigeria. The project will also test different ways of reaching smallholder farmers (new financing models, entrepreneurship training, subsidies) and evaluate interventions using an impact study to understand how farm yields and income changes over time.

myAgro, Senegal (Jan 2020 – Dec 2022): myAgro is a non-profit social enterprise that reaches smallholder farmers through a network of Village Entrepreneurs, encouraging them to save up their own funds to invest in high-quality seed, fertiliser, tools and agricultural training packages. Using mobile phone scratch cards, farmers can save up small amounts of money each week towards a complete package of agricultural inputs delivered just in time for planting. With our funding, myAgro will also test new vegetable packages for farmers in the Casamance region of Senegal. In 2020, myAgro's efforts across Senegal saw them serve nearly 39,000 farmers despite a four-month lockdown just before the planting season. On average, farmers grew 0.39 hectares and increased income by 35%. myAgro were quick to adapt to the pandemic, offering discounts to farmers, re-introducing a 1/8th hectare package, and replacing face to face visits with a call centre, radio broadcasts and video training materials. Going forward, myAgro hope to accelerate to reach 75,000 farmers in Senegal by the end of 2022. It is all part of their aim to help 1 million small-scale farmers to increase their income by \$1.50 per day by 2025.

Practical Action, Malawi (Feb 2020 – Oct 2021): In the Balaka District, 70% of farmers save seeds from their harvest to re-plant the next year. Practical Action is breathing new life into this age-old practice, alongside local partners and scientists to encourage farmers to use traditional, local and climate-resilient seeds. So far, 30 Lead Farmers have trained a further 720 farmers on seed selection and multiplication, alongside soil and water conservation practices. This has been complemented by Practical Action's work developing a policy briefing on farmer saved seeds and organising a national farmers' rights conference.

Unfortunately, significant changes in the operating context have made it much harder for Practical Action to deliver this project in full. In June 2021, Practical Action wrote to The Foundation recommending that we agree a plan for the early closure of this project. Practical Action had notified us in August 2020 of their decision to close their Malawi office, intending to support the project from their office in Zimbabwe. However, with the continuation of the pandemic and related travel restrictions, this has undermined Practical Action's ability to adequately support the project from Zimbabwe. Further discussions with Practical Action revealed that the Malawi office closed after a large project with another donor ended, this had provided the bedrock for other activities in Malawi. These situations could arise more frequently as many of our partners receive funding from sources that are under financial pressure (due to COVID-19 or reductions in the UK's FCDO budget). Subsequently, we have updated our due diligence process to assess the financial resilience of prospective partners at global and country level.

We continue to monitor this project each month to bring it to a responsible conclusion. Remaining activities focus on supporting farmers with the second planting season, while other members of the Malawi Agrobiodiversity Network remain involved in government advocacy.

Renewable World, Nepal (Mar 2020 – Oct 2023): We are helping Renewable World tackle hunger in Nepal using innovative plastic bag biodigesters. 50 million homes around the world use biodigesters as a healthy alternative to coal, wood or dung for cooking. Renewable World wants these households to benefit even more, by making organic fertiliser as by-product of generating biogas. Organic material is added to the biodigester and is broken down by bacteria in an oxygen-free environment to create biogas, a cheap source of renewable energy replacing more expensive and harmful fuels. The slurry that's left over can be turned into highly productive organic fertiliser and used to grow food crops. It's a great way of solving multiple problems at once, bringing long term change to Nepal's hungry by improving farming, strengthening livelihoods and producing clean energy. In the first year of the project Renewable World has completed a baseline survey, detailed project planning, distributed marketing materials and selected the sites and partners to work with. As part of this process The Foundation increased our funding to Renewable World by £4,445. This additional funding supported Renewable World to contract a closer biodigester manufacturer and help mitigate COVID-19 related disruptions to supply.

In October 2020, Renewable World notified us of a Serious Incident which had been reported to the UK Charity Commission. One of Renewable World's principal partners, RWEA, had misappropriated funds. As the RWEA partner only worked with Renewable World in Kenya, operations in Nepal (including the project funded by The Foundation) were not affected in any way. As such, The Foundation Director and Trustee members of the Risk and Finance Sub-Committee agreed The Foundation was not materially affected and did not need to inform the UK Charity Commission directly. The Foundation did update our due diligence checks on Renewable World as a global entity and requested further clarifications in two areas:

- i. How quickly would their improved partner management processes be embedded. We learnt that all staff, including those in Nepal, had been trained by April 2021.
- ii. The impact on Renewable World's balance sheet. We learnt that by the end of June reserves were £49,000 above target. We are satisfied that the Nepal project is not at risk and will have ultimately been strengthened by the improvements made to partnership management across Renewable World.

Semilla Nueva, Guatemala (Oct 2020 – Jul 2023):

In Guatemala corn accounts for 50% of rural diets and the country has the world's sixth highest rate of malnutrition. Today, 46% of children suffer from stunting and 70% of farming families live in poverty. Semilla Nueva has produced a biofortified seed that yields more corn and better-quality corn, for a lower cost to farmers. Their corn has 39% more zinc (in Guatemala a third of children are zinc deficient) and 19% more iron (another common deficiency in Guatemala). Semilla Nueva will use our funding to help incentivise local commercial producers to add biofortified seed to their portfolio. This enables the seed to reach even more families while preserving the low price point for farmers. During this project Semilla Nueva will reach four times as many farmers with their biofortified seed, while refining the best way to partner with the private sector as a precursor to national roll-out. Ultimately, Semilla Nueva would like to see the government incentivise wider distribution of biofortified corn.

In 2021 Semilla Nueva has reached over 10,000 farming families with more nutritious corn seed (up from 7,000 families in 2020). The Guatemalan government has also launched a programme to produce and distribute biofortified seeds, estimates indicate the programme reached 30-60,000 subsistence farming families between April and June 2021. In the years ahead Semilla Nueva will continue to expand sales and build pilots to inform public policy.

Send a Cow, Zambia (Aug 2019 – Jan 2022): Pests eating valuable crops prevents hungry people harvesting the food they have grown and getting the nutrition they need. We are working

with Send a Cow to protect Zambia's cereal crops as pests like Stem borer moths, parasitic Striga weed and Fall Armyworm are a big problem. Send a Cow will train farmers in the 'Push:Pull' approach, intercropping Desmodium and Napier grass to protect cereal crops from pest damage and yield losses. The grasses can also be used for animal fodder. So far, the project has identified the best plant combinations for the Zambian context, set up farmer field schools and trained 481 farmers on the approach (with 62% using it). Data collected in May 2021 showed the percentage of farmers affected by the target pests had decreased by 96% to 68%. It has taken time to optimise this novel approach and the final phase of this project will now incorporate a greater emphasis on sharing project learnings with other organisations and with colleagues in other countries where Send a Cow are starting to train farmers using the Push:Pull approach.

Partnership Fund Grants

Action Against Hunger (Oct 2020 - Apr 2022) In the reporting period The Foundation approved unrestricted funding to support Action Against Hunger's work in investing in activities that will be foundational for their future success. Action Against Hunger International and Action Against Hunger UK have approved their new strategic plans for 2021-2025, and launched a new website to better engage with donors. They had a successful winter appeal with a 100% increase in online donations compared to the prior year and recruited new regular givers (3x more than their 2019 appeal). Additionally, they hosted a webinar to share learning about improving severe acute malnutrition treatment coverage in the community which was attended by 120 practitioners.

Send a Cow (Oct 2020 – Apr 2022) In the reporting period The Foundation approved unrestricted funding to support Send a Cow's work in investing in activities that will be foundational for their future success. Part of the funds go towards their 'Africa Forward' strategy which focuses on Send a Cow being increasingly led from Africa, transitioning over a period of two years. To date a new organisational structure has been finalised with more leadership in Africa. The funding has already facilitated a phased hand-over between staff for better continuity and organisational memory. They have launched an improved project monitoring framework using their new Better Life Index, and migrated legacy servers to the 'cloud'. Recruitment and office scoping in Nairobi has begun as part of the process of 'shifting power' to Africa.

COVID-19 Emergency Response Grants

Oxfam, Bangladesh (Jun – Oct 2020) The Foundation supported Oxfam's Covid emergency response to reach 1,135 households living in rural, urban and Rohingya refugee camps in Bangladesh, with cash grants and protective equipment (masks, gloves, hand sanitiser).

Feedback Madagascar, Madagascar (May 2020 – Feb 2021) Feedback Madagascar with funds from The Foundation reached 300,000 people in Southern Central Madagascar in their emergency response to COVID-19. Six new municipal 'SLC' committees ("*Structure Locale de Concertation*") were established and each SLC set up community emergency readiness committees to support with information dissemination, protocols on isolation, hygiene and sanitation. Support also included seventeen digital "flash" frontal non-contact thermometers provided to 17 government health centres, 200 solar-powered loudspeakers and information on COVID-19 in the form of bulletins & songs given to community volunteer educators, and a waterpoint COVID-19 protocol and training provided for 36 existing water point management committees.

Send a Cow, Kenya, Rwanda, Uganda and Zambia (May-Jul 2020) Send a Cow with funding from The Foundation, launched an emergency response reaching communities in Kenya, Rwanda, Uganda and Zambia with key messages on COVID-19 prevention and spread, provision of health and hygiene kits, and delivery of emergency food supplies. The types of activities included the following: i) in Kenya, 633 households across 30 self-help groups and 245

community members were reached with training on COVID-19 prevention, and seven touch free public handwashing stations were installed; ii) in Rwanda, Rwamagana district 2,553 face masks and 180 hand sanitisers were delivered to equip district youth volunteers to support their communities in COVID-19 prevention, and emergency food supplies of rice, beans and maize flour were distributed to 100 households in three districts; iii) in Uganda, health and hygiene inputs were provided, for example in Kamuli district, 150 masks and 150 bottles of hand sanitiser were provided to the local health centre, and iv) in Zambia, 240 IEC materials on COVID-19 were produced to be displayed at public places including markets, schools and health centres.

Concern Worldwide, Ethiopia (Jun – Sep 2020) Concern, with funding from The Foundation, implemented an integrated emergency livelihood and hygiene and sanitation response in the Southern Nations, Nationalities and Peoples (SNNP) Region of Ethiopia. Livelihood support was through seed provision which included 37,500 kg of haricot bean seeds distributed to 3,000 poor households. The seeds are early maturing, high yielding, nutritionally-rich contributing to improved livelihoods and good nutritional outcomes. At the Health Facilities 112 handwashing stands were installed serving around 32,000 people. The design of the handwashing stands were such that they operate without direct hand contact to reduce the risk of COVID-19 transmission. Awareness creation on key COVID-19 prevention measures was made possible through local broadcast radio covering key messages on COVID-19 facts, prevention measures, its socio economic impact and mitigation in local languages. Approximately, 1.5 million people in the SNNP region were able to access this information including marginalised groups in remote rural areas. As COVID-19 has a multidimensional impact on extremely poor households further support was provided with school exercise books and sanitary materials to 816 vulnerable school girls in the Gurage zone.

Investment and reserves policy

We currently bank with the Charities Aid Foundation (CAF) Bank.

Our reserves policy sets out the minimum balance of readily available cash held by The Foundation to achieve the required risk-reward profile for The Foundation. At any given time, The Foundation must be able to cover its committed expenditure, and also have the necessary funds to wind down The Foundation's operations should funding cease. In addition, the cumulative committed income must be greater than cumulative committed expenditure.

By committed income, we mean the current bank balance of The Foundation, held in immediately available or short-term deposit accounts plus all pledged income for the future (currently £1million per annum for a minimum of 3 years, subject to certain conditions). By committed expenditure we mean all committed expenditure for active projects plus 6 months wind down costs (estimated at £90,000) plus £200,000 for exceptional circumstances grants.

Our investment policy categorises The Foundation's cash holdings in three tiers;

- Immediate need: cash spend committed for active projects and forecast for operational and emergency relief within the next 3 months will be held in immediate access accounts.
- Long term need: Committed cash spend for total lifetime of all current projects, including operational and emergency relief spend forecast, may be placed in deposit accounts with maturity of 30 up to a maximum of 90 days, according to planned expenditure schedule.
- Excess: All remaining cash may be placed in 90-day deposit account to maximize interest return.

This meets the appropriate risk, maturity and controls level agreed by the Trustees. Our cash is currently all held in immediate access accounts since the interest gains from using 30 to 90 day deposit accounts are negligible when we also account for the increased administrative burden of maintaining them. We keep this under review.

At the end of the reporting year, our total funds held were £2,422,251 (year ending June 2020 £3,002,748). Of this, £684,162 represents future funding commitments which we will pay out to our current grant partners in six monthly instalments over the remaining period of signed grant agreements, subject to formal reporting of satisfactory progress against project objectives. The balance £1,738,089 is uncommitted reserves. This meets the requirements of our stated reserves policy.

The Foundation has no tangible fixed assets or programme related investments therefore all assets can be realised immediately or within 30 or 90 days in our notice account.

Future plans

In 2021-22, we will continue to pursue the twin goals identified in our 2018 strategic review:

- Goal 1: stop children dying of hunger
- Goal 2: help the poorest families feed themselves

To achieve these goals, we will focus our time, money and expertise on making fewer, bigger, riskier grants to fund world class innovation. We'll continue our search for partners, from UK-based charities to organisations from around the world, who may be charities, but could also be universities, research institutes, or other innovators, who need our support to test and scale their great ideas. We have established strong global research connections for our goal 1 work, an annual application cycle for goal 2, and increased management headcount. This sets The Foundation up to:

- Continue to support our existing partners through COVID-19 adaptations.

We have budgeted to relaunch project monitoring visits (when it is safe to do so and with a revised risk assessment process). If this is not possible, we intend to keep our project reporting process under review to ensure it remains agile and robust. Our budget includes contingency funding to support adaptations to projects and we will also consider further emergency grants, or exceptional grants made through our Partnership Fund, to support partners with their work to tackle the COVID-19 pandemic should the need arise. Finally, we plan to open a new bank account to facilitate online payments to overseas accounts (to make it quicker to make grants to international partners).

- Accelerate our grant-making over the next two years.

We intend to spend down our high reserves to our reserves policy level in pursuit of our goal 1 and goal 2 ambitions. We have already shortlisted applications as part of a new goal 1 funding call. In goal 2, we intend to use our additional headcount to review the opportunities for funding smallholder agricultural projects in response to increasing food insecurity and the other challenges presented by COVID-19. All new grant applications will be subject to the enhanced due diligence processes described above.

This report has been prepared in accordance with the special exemptions provided by Section 415A of the Companies Act 2006 relating to small companies.

So far as each of the Trustees at the time the report is approved are aware:

- a) there is no relevant audit information of which the auditors are unaware and,

The Innocent Foundation (a company limited by guarantee)
Registered No 05054312
Charity No 1104289

b) that they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Approved by the trustees on 11/10/2021 and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'Jonathan Wright', written over a horizontal line.

Jonathan Wright
Trustee

Statement of Trustees' responsibilities

The Trustees (who are also directors of The Innocent Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. 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.

Independent Auditor's Report to the Members and Trustees of The Innocent Foundation

Opinion

We have audited the financial statements of The Innocent Foundation ('the charitable company') for the year ended 30 June 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and notes to the financial statements, including significant accounting policies. 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 30 June 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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 our audit

- the information given in the trustees' report, which includes the directors' report prepared 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 directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within 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 and proper accounting records have not been kept; 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' directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the charity's operations were the Charity Commission regulations and General Data Protection Regulation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, testing of income receipts and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

The Innocent Foundation (a company limited by guarantee)

Registered No. 05054312

Charity No. 1104289



Janette Joyce
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

Reading

30 November 2021

Statement of financial activities (including income and expenditure account) for the year ended 30 June 2021

		Year ended 30 June 2021 £	Year ended 30 June 2020 £
	Notes		
Incoming resources			
Donations and Legacies	2	949,640	950,147
Income from Investments	3	215	4,742
Other income	4	<u>50,000</u>	<u>50,000</u>
Total income		<u>999,855</u>	<u>1,004,889</u>
Resources expended			
Expenditure on Charitable Activities	5,7	<u>(1,581,554)</u>	<u>(1,431,987)</u>
Total expenditure		<u>(1,581,554)</u>	<u>(1,431,987)</u>
Net movement in funds		(581,699)	(427,098)
Funds brought forward		<u>3,002,748</u>	<u>3,429,846</u>
Funds carried forward		<u>2,421,049</u>	<u>3,002,748</u>

All incoming resources and resources expended derive from continuing activities.

There are no recognised gains or losses other than as shown in the statement of financial activities above.

The notes on pages 24 to 28 form part of these financial statements.

The Innocent Foundation (a company limited by guarantee)

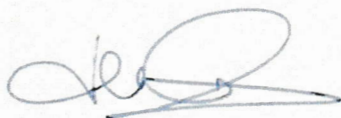
Registered No. 05054312

Charity No. 1104289

Balance sheet

	Notes	As at 30 June 2021 £	As at 30 June 2020 £
Current assets			
Debtors	9	16,335	0
Cash at bank	11	<u>2,415,169</u>	<u>3,055,016</u>
		2,431,504	3,055,016
Creditors: amounts falling due within one year	10	<u>(10,455)</u>	<u>(52,268)</u>
Net current assets		<u>2,421,049</u>	<u>3,002,748</u>
Represented by:			
Reserves – unrestricted funds		<u>2,421,049</u>	<u>3,002,748</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11/10/2021 by



Jonathan Wright
Trustee

The notes on pages 24 to 28 form part of these financial statements.

Statement of Cash Flows

	Notes	Year ended 30 June 2021 £	Year ended 30 June 2020 £
Cash generated / (used) by operating activities		(640,062)	(385,193)
Cash flows from investing activities			
Interest income	3	<u>215</u>	<u>4,742</u>
Cash provided by investing activities		215	4,742
Increase / (decrease) in cash and cash equivalents in the year		<u>(639,847)</u>	<u>(380,451)</u>
Cash and cash equivalents at the beginning of the year		<u>3,055,016</u>	<u>3,435,467</u>
Total cash and cash equivalents at the end of the year		<u>2,415,169</u>	<u>3,055,016</u>
Reconciliation of cash flows from operating activities			
Net income for the reporting period		(581,699)	(427,098)
Adjustments for:			
Investment income		(215)	(4,742)
Increase / (decrease) in creditors		<u>(58,148)</u>	<u>46,647</u>
Net Cash provided by operating activities		<u>(640,062)</u>	<u>(385,193)</u>

Notes to the financial statements at 30 June 2021

Charity Information

The Charity is a company limited by guarantee (registered number 05054312), which is incorporated in the UK. The address of the registered office is 342 Ladbroke Grove, London, W10 5BU.

1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2015), applicable UK accounting standards including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

The Innocent Foundation 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 note(s).

The principal accounting policies adopted in the preparation of the financial statements are as follows:

Fund accounting

- The charity's general fund consists of funds which the charity may use for its purposes at its discretion.
- The charity has no restricted funds.

Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability. Services received in kind are recognised in the financial statements where the amounts are quantifiable.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured. Donations are accounted for as unrestricted, unless there are restrictions under the terms on which they are received or solicited.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
- It includes grant instalments that have been paid to the partners subject to their adherence to their memorandum of understanding. Grants are charged to the statement of financial activities when an unconditional commitment has been made to provide the grant. Grant commitments made with conditions attached are not recognised as a liability, but are disclosed within the Future Commitments note in the accounts.
- It also includes costs of an indirect nature necessary to support the activities.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to strategic management of the charity.

The Innocent Foundation (a company limited by guarantee)

Registered No. 05054312

Charity No. 1104289

Donated services

Where services are donated to the charity that would normally be purchased from suppliers, this contribution is included in the financial statements as an estimate based on the value of the contribution to the charity.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Going concern

No material uncertainties that would cast doubt about the ability of The Foundation to continue as a going concern have been identified by the Trustees.

Financial Instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. All basic financial instruments are held at amortised cost.

Cash at bank

The Foundation's Investment policy sets out where cash can be held. All cash is currently held in instant access bank accounts.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Donations

	<i>Year ended 30 June 2021 £</i>	<i>Year ended 30 June 2020 £</i>
<i>Unrestricted</i>		
Innocent Ltd	950,000	950,000
Other	<u>-360</u>	<u>147</u>
	<u>949,640</u>	<u>950,147</u>

3. Income from investments

	<i>Year ended 30 June 2021 £</i>	<i>Year ended 30 June 2020 £</i>
<i>Unrestricted</i>		
Other	<u>215</u>	<u>4,742</u>
	<u>215</u>	<u>4,742</u>

The Innocent Foundation (a company limited by guarantee)

Registered No. 05054312

Charity No. 1104289

4. Other income

	Year ended 30 June 2021 £	Year ended 30 June 2020 £
<i>Unrestricted</i>		
Licence fee paid by Innocent Ltd	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

5. Grant making costs

	Year ended 30 June 2021 £	Year ended 30 June 2020 £
<i>Restricted donations</i>		
Ace Africa (Kenya)	-	12,710
AfriFarms (Kenya)	-	35,571
Aga Khan Foundation (Madagascar)	-	44,682
ALIMA (Democratic Republic of the Congo)	218,286	249,528
Blue Ventures (Madagascar)	-	15,505
Concern Worldwide (Kenya)	-	57,898
Concern Worldwide (Ethiopia – COVID-19)	-	90,000
Feedback Madagascar (Madagascar)	-	23,394
Feedback Madagascar (Madagascar – COVID-19)	-	89,953
Kickstart International (Kenya)	26,544	51,538
Kickstart International (Rwanda)	-	15,726
Kickstart International (Kenya, Malawi, Mozambique, Nigeria, Rwanda, South Sudan, Uganda, Zambia)	70,000	-
MicroLoan Foundation (Malawi)	-	37,703
MyAgro (Senegal)	66,666	33,353
Oxfam (Bangladesh – COVID-19)	-	90,001
Practical Action (Malawi)	42,546	25,000
Renewable World (Nepal)	39,101	36,477
Semilla Nueva (Guatemala)	30,000	-
Send a Cow (Zambia)	44,392	92,083
Send a Cow (Rwanda, Uganda, Zambia – COVID-19)	-	84,781
Washington University (Sierra Leone)	-	197,576
<i>Unrestricted donations</i>		
Action Against Hunger (UK – Partnership fund)	568,000	-
Send a Cow (UK – Partnership fund)	<u>332,000</u>	<u>-</u>
	1,437,535	1,283,479
<i>Grant management costs</i>		
80% of Foundation Employees time	106,428	94,979
Governance Expenditure	<u>37,592</u>	<u>53,529</u>
	<u>1,581,554</u>	<u>1,431,987</u>

6. Employees

During the reporting period there were three employees – The Foundation Director (on maternity leave for the majority of the year), the Acting Foundation Director and The Foundation Portfolio Manager. All employees are co-employed by The Foundation and Innocent Ltd and they spend 100% of their time running The Foundation. During the reporting period two new employees were appointed to start in the 2021/22 financial year on 12-month fixed term contracts. One employee as maternity cover The Foundation Portfolio Manager, the second appointment is a new role, a Senior Development Manager to improve The Foundation's resilience to staff changes and facilitate more time to be dedicated to strategic planning. The Trustees and The Foundation Guardians (employed by Innocent Limited) also work one to two hours per month on a voluntary basis.

7. Governance expenditure

During the year the charity incurred £37,592 (2020 – £53,529) in governance expenditure which came in the form of professional charges, website charges, holiday pay accrual and 20% of The Foundation's employee's salaries. Administrative expenditure includes £5,790 (including VAT) in respect of the Auditor's remuneration (2020 – £5,340 including VAT).

No remuneration was paid to the Trustees. Trustees claimed £nil for travel expenses (2020 – two trustees claimed £238).

8. Tax

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of 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.

No tax charge arose in the period.

9. Debtors

The debtors balance of £16,335 (2020 £nil) comprises accrual for an expected Credit Note from Innocent Ltd, with a deduction for a refund to Innocent Ltd from The Foundation for an overpayment of 'Give as you earn' donations in 2020.

	30 June 2021 £	30 June 2020 £
Innocent Ltd underpayment of 'Give as you earn' in 2021	390	-
Payroll refund from Innocent Ltd	17,147	-
Innocent Ltd overpayment of 'Give as you earn' in 2020	<u>-1,202</u>	<u>-</u>
	<u>16,335</u>	<u>-</u>

The Innocent Foundation (a company limited by guarantee)

Registered No. 05054312

Charity No. 1104289

10. Creditors: amounts falling due within one year

The creditors balance of £10,455 (2020 £52,268) comprises the Auditor's fee accrual, holiday pay accrual and refund to Innocent Ltd.

	30 June 2021 £	30 June 2020 £
Audit fee (including VAT)	5,520	5,070
Salary Accrual	-	40,514
Holiday Pay Accrual	3,733	5,482
Refund to Innocent Ltd (accrued for)	<u>1,202</u>	<u>1,202</u>
	<u>10,455</u>	<u>52,268</u>

11. Financial Instruments

Financial Assets measured at amortised cost: Cash held £2,415,169 (2020: £3,055,016)

Financial Liabilities measured at amortised cost: Creditors £10,455 (2020: £52,268)

Total interest income for basic financial assets was £215 (2020: £4,742)

12. Issued share capital

The company is limited by guarantee and does not have share capital.

13. Future commitments

At the year end the charity had committed £684,162 (2020 – £652,975) of funding to support identified organisations by the end of 2023. The funding is dependent upon those organisations meeting specific performance criteria. As such, these have not been recognised as a liability in the accounts. These commitments will be funded from unrestricted reserves.

14. Related party transactions

Innocent Ltd and its shareholders donated £950,000 to The Foundation during the 12-month period to 30 June 2021 (2020 - £950,000). In addition, Innocent Ltd paid The Foundation £50,000 (2020 - £50,000) for a licence fee which allows the company to use The Foundation's logo with limitations. During the year, no Trustees were shareholders of Innocent Ltd or its related companies and two Trustees; Douglas Lamont and Sarah-Jane Norman, were employed by Innocent Ltd. Kate Franks, Ben Summers and Amy Recknell are the management personnel and are co-employed by Innocent Ltd as The Foundation Director, Action Foundation Director and Foundation Portfolio Manager respectively. They work out of the Innocent Ltd head office in London and work with Innocent employees (The Foundation Guardians and two Trustees). During the year Innocent Limited incurred £133,035 (2020 - £118,724) in respect of their employment costs. As they spend 100% of their time running The Foundation, this was recharged to The Foundation and at year-end £3,733 (2020 - £40,514) was outstanding and owed to Innocent Ltd. Taking in to account the expected refund of £16,335 from Innocent Ltd, £12,602 is owed The Foundation at year-end.