THE PENNIES FOUNDATION

England & Wales · Charity number 1122489

Details

Other names	PENNIES
Status	Registered
Legal form	Charitable company
Company number	06418982
Registered	2008-01-28
Register	View on the Charity Commission register

Contact

Address	1st Floor 64 London Wall London EC2M 5TP
Phone	02076009286
Email	info@pennies.org.uk
Website	www.pennies.org.uk

Activities

Objects: 1 THE PROMOTION OF THE VOLUNTARY SECTOR IN PARTICULAR (BUT NOT EXCLUSIVELY) BY ENCOURAGING AND FACILITATING CHARITABLE GIVING, ASSISTING IN THE APPLICATION OF FUNDS FOR CHARITABLE PURPOSES AND MONITORING THE USE OF SUCH FUNDS BY CHARITABLE ORGANISATIONS;2 THE PROMOTION OF THE EFFICIENCY AND EFFECTIVENESS OF CHARITIES AND THE EFFECTIVE USE OF CHARITABLE RESOURCES IN PARTICULAR (BUT NOT EXCLUSIVELY) BY PROVIDING ADVICE TO CHARITIES AND ORGANISATIONS SEEKING TO MAXIMISE CHARITABLE GIVING, EXCHANGING INFORMATION WITH SUCH CHARITIES AND ORGANISATIONS AND PROVIDING TECHNOLOGY AND INFRASTRUCTURE DESIGNED TO MAKE IT EASIER TO GIVE TO CHARITY; AND3 SUCH OTHER PURPOSES THAT ARE EXCLUSIVELY CHARITABLE AS THE TRUSTEES FROM TIME TOTIME THINK FIT (“THE OBJECTS”).

Activities: PROMOTING THE VOLUNTARY SECTOR BY ENCOURAGING AND FACILITATING CHARITABLE GIVING THROUGH THE USE OF TECHNOLOGY (IN PARTICULAR USING PENNIES THE DIGITAL CHARITY BOX (PENNIES) DESIGNED TO MAKE IT EASIER TO GIVE TO CHARITY, AND MONITORING THE USE OF THE FUNDS BY CHARITABLE ORGANISATIONS.

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Classification

- **How:** Makes Grants To Organisations, Other Charitable Activities
- **What:** General Charitable Purposes, Other Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** IN THE UK AND IN ANY OTHER COUNTRY; ANY PART OF THE WORLD; THROUGHOUT THE WORLD.
- Ireland
- Jersey
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£11,450,284	£11,352,038	£1,496,202	20
2023-12-31	£9,386,831	£9,376,632	£1,397,956	18
2022-12-31	£7,434,508	£7,558,111	£1,387,757	17
2021-12-31	£6,474,839	£6,536,787	£1,511,360	15
2020-12-31	£5,651,334	£6,153,651	£1,573,308	15

Trustees

Name	Role	Appointed
ROBERT LEITAO	Chair	
Angela Luger		2022-12-12
Graham Edwards		
JULIAN TAYLOR		
Leigh Thomas		2019-07-02
PENNY LOVELL		
Paul Michael Bain		2025-04-02
Peter George Edwin Ayliffe		2014-03-26

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THE PENNIES FOUNDATION

England & Wales - Charity number 1122489

Accounts

Pennies!

Annual Report & Financial Statements

2024

Because micro-donations matter.

Pennies

The impact of micro-donations

2024 marked the first year that more than £10 million was raised from Pennies donations.

15 minutes

of micro-donations made by diners at a national restaurant chain could fund a conversation with Shout for someone in distress, a conversation that could save a life.

Every two hours

micro-donations from customers at a discount retailer could raise enough for Make-A-Wish to send a family on a once-in-a-lifetime holiday where they can reconnect and make memories.

Someone made a donation with Pennies every 0.7 seconds in 2024.

Nine hours

of micro-donations made by high-street pharmacy customers could buy a specialist app to help someone with MND continue to communicate with others.

One day

of micro-donations from customers ordering pizza online could help to fund a whole day of therapeutic programmes for a child with a serious illness.

The Pennies Foundation

Annual report and financial statements

for the year ended 31 December 2024

Registered in England and Wales charity number: 1122489
Registered in the Republic of Ireland charity number: 20106331
Registered in the Isle of Man charity number: 1275
Company number: 6418982

Registered office:
1st Floor
64 London Wall
London, EC2M 5TP

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Legal and Administrative Information

Registered Charity Numbers

England and Wales	1122489
Republic of Ireland	20106331
Isle of Man	1275

Company Registration Numbers

England and Wales	06418982
Isle of Man	006181F

Governing Instrument	Articles of Association	(Amended 12 August 2019)
Trustees	Robert Leitão	Chair
	Peter Ayliffe	Vice Chair, Audit Committee member
	Graham Edwards	Audit Committee Chair
	Penny Lovell	
	Angela Luger	
	Julian Taylor	Audit Committee member
	Leigh Thomas	
	Paul Bain	Appointed 2 April 2025
Chief Executive	Alison Hutchinson CBE	
Registered Office and Business Address	First Floor 64 London Wall London EC2M 5TP	
Banker	HSBC Bank plc 94 Kensington High Street London W8 4SH	
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB	
Solicitor	Simmons & Simmons LLP Citypoint One Ropemaker Street London EC2Y 9SS	
Website	https://pennies.org.uk/	

The Report of the Trustees

The trustees are pleased to present their annual directors' report together with the financial statements of The Pennies Foundation (working name "Pennies") for the year ended 31 December 2024, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Our Values

- **We care to our core**
- **We inspire people to take action**
- **We make things happen**
- **We adapt as needed**

Vision, Objects, Purpose of the Charity, and Public Benefit

Our Vision
Wherever and whenever people pay by card or digitally, they will be given the opportunity to donate a few pence to charity, in a simple, safe and sustainable way.

Our Mission
To protect and grow micro-donations – ensuring that the public has digital ways to keep donating the small amounts of money that are so vital for charitable causes.

Our Purpose
To make micro-donations easy in an increasingly cashless society.

Objects of the Charity
The Charity's objects are, for the benefit of the public:

1. The promotion of the voluntary sector in particular (but not exclusively) by encouraging and facilitating charitable giving, assisting in the application of funds for charitable purposes and monitoring the use of such funds by charitable organisations;

2. The promotion of the efficiency and effectiveness of charities and the effective use of charitable resources in particular (but not exclusively) by providing advice to charities and organisations seeking to maximise charitable giving, exchanging information with such charities and organisations and providing technology and infrastructure designed to make it easier to give to charity; and

3. Such other purposes that are exclusively charitable as the trustees from time to time think fit.

Strategies to Achieve Our Objectives

A trusted leader in digital micro-donations, Pennies has created a movement that offers businesses a powerful way to demonstrate social purpose, helps charities make a greater impact, and gives consumers an affordable way to donate without cash as part of their daily lives.

In an increasingly cashless society, our digital charity box provides an accessible way to add a small donation to transactions when paying by card, digital wallet or in-app.

Pennies is a simple, affordable, and private way to donate, with 100% of funds raised going to charity.

We work with the payments, technology and digital commerce platform sectors to introduce micro-donation opportunities to more channels, unlocking the functionality for the benefit of the charity sector. We focus on the security and efficiency of digital micro-donating, giving consumers an easy opportunity to support charities as they go about their daily lives.

Public Benefit, Environmental and Social Impact

The trustees confirm that, in carrying out their responsibilities and exercising their powers, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission for England and Wales.

Pennies is independent, enabling it to lead the micro-donation movement for the benefit of the entire charity sector, and we engage across all technologies, merchants, hospitality sectors and channels. Micro-donations could inject £1bn per annum into the UK charity sector if every UK card holder gave just 35p a week.

As set out in this report, our charitable activities include implementing Pennies with our partners to give consumers the option to donate their "digital change" whenever they use cards or other digital payment methods to pay for goods and services. The sums collected are donated to us and we then make grants to approved registered charities. We do not collect or hold personal data relating to individual donors and our retail partners undertake not to contact them about their donations. We are focused on encouraging and facilitating charitable giving through micro-donations, thereby supporting the UK charitable sector.

The trustees consider that, as registered charities are required to demonstrate explicitly that their aims fulfil the requirements of public benefit, and as our activities are directed towards making grants to charities which are registered with at least one of the Charity Commission for England and Wales, the Office of the Scottish Charity Regulator, the Charity Commission for Northern Ireland, the Charities Regulatory Authority in the Republic of Ireland, the Association of Jersey Charities, or the Isle of Man Charities Central Registry, our activities are wholly for the public benefit.

In addition, we provide information about our social impact on our website at https://pennies.org.uk/our-impact, to highlight the breadth of causes and charities benefitting from Pennies. We also carry out our own impact evaluation of the use of the funds by those charities and we regularly publish information on our website relating to the work of the charities that benefit.

As a significant proportion of Pennies' social value is created by the impact of the micro-donations we enable, we can deduce that significant additional social value will have been created through our work in 2024. In addition, by working with our partners to enable micro-donating we are helping them to fulfil their own social objectives to give back to the communities in which they operate.

The trustees consider that Pennies has a low environmental impact as a digital-only initiative that does not require the manufacture or transport of physical goods. In addition, we occupy a single office location easily accessible by public transport, which was refurbished in 2019 with the latest energy-efficient heating and lighting. We are continuing with a hybrid working pattern, introduced in 2021, which means that fewer days are worked in the office, thereby saving a significant portion of staff travel time and the impact that has on the environment.

> **"Pennies is focused on encouraging and facilitating charitable giving through micro-donations, thereby supporting the UK charitable sector."**

Structure, Governance and Management

The Charity is a private company limited by guarantee, registered in England and Wales (number 06418982) and is a charity registered with the Charity Commission for England and Wales (number 1122489), with the Charities Regulatory Authority in the Republic of Ireland (number 20106331), and is registered with the Jersey Financial Services Commission as required by The Non-Profit Organisations (Jersey) Law 2008 (the "NPO Law"), and with the Isle of Man Charities Central Registry (number 1275).

The Charity's governing document is the Articles of Association adopted on 6 November 2007 and amended on 12 August 2019 (the Constitution).

Trustees consider the principles set out in the Charity Governance Code, refreshed at the end of 2020, when carrying out their duties. Annually the Charity prepares an evaluation of how the Charity applies the Code's principles and recommended practices. The evaluation in 2024 showed that most of the Code's recommended good practices are followed. When reviewing the board effectiveness feedback, the trustees identified a requirement to appoint a trustee with particular experience in payments and technology. A recruitment process commenced and the trustees were delighted to welcome Paul Bain as a trustee on 2 April 2025. We will continue to use the code as a tool to support continuous improvement as the Charity develops, and to focus on the areas for improvement and further implementation.

The liability of the members is limited, and each member agrees to contribute up to £10 in the event of the Charity being wound up. The trustees are the only members of the Charity and they automatically become members on appointment to the Board of Trustees (Board).

During the year the Charity commenced the process of closing its wholly owned subsidiary, Your Penny Limited, a private limited company registered in England and Wales (registered number 6880306), which has been dormant since inception. This process was completed on 11th February 2025.

The Charity is registered with the Fundraising Regulator and has committed to follow the Code of Fundraising Practice and the Fundraising Promise. In 2024 we received a total of 4 complaints (2023: 5 complaints) which is extremely low in the context of the total number of donations for the year which was 43.9 million (2023: 38.4 million). We responded to, and resolved, each complaint with the complainants. Pennies is a pressure-free way to donate to charity prompted by technology, without the need for a person to make the ask, allowing the consumer to confidentially choose to donate anonymously, as no personal data is asked for or collected.

Trustees

The Constitution requires at least three trustees but there is no maximum number. As set out in the Constitution the trustees have the power at any time to appoint any person who is able and willing to be a trustee. Trustees are appointed for an initial term of three years and may be reappointed by the trustees for further terms of three years. In the event that a Trustee has served in office for three consecutive terms of three years, such Trustee may be reappointed by the Trustees for further terms of three years after the end of their third term in office if 75% of the Trustees resolve that they are reappointed, taking account of the Trustee's contribution to the Board as a whole. This flexibility is of great value to the Charity in its still relatively early years, and in a period of continual rapid growth and development, having a consistency of key board members is very welcome.

During the year Peter Ayliffe was appointed as Vice Chair with effect from 24 September 2024.

When recruiting new trustees, the Charity aims to attract a breadth of skills and diversity commensurate with our stage of development as a growing charity. Board appointments are based on merit and whether a candidate has the skills and knowledge to be an effective trustee and has the ability to support the ambitious donation growth targets set by the Board of Trustees over the short to medium term.

Prior to appointment, trustees receive a comprehensive induction pack which includes the Constitution, background on Pennies and its aims, our *Code of Conduct for Trustees* and *Conflict of Interest Policy* and information about their role and responsibilities. Both new and existing trustees have the opportunity to meet regularly with the Chief Executive, the senior management team and other members of staff, and when required further training is arranged for a trustee as an individual or for the Board as a whole.

The following either served as trustees during the financial year or were trustees at the date of this report:

Robert Leitão	Chair
Peter Ayliffe	Vice Chair (appointed 24 September 2024), Audit Committee Member
Graham Edwards	Audit Committee Chair
Penny Lovell	
Angela Luger	
Julian Taylor	Audit Committee Member
Leigh Thomas	
Paul Bain	Appointed 2 April 2025

The trustees, who are collectively responsible for the Charity's governance, for ensuring delivery of our charitable objectives and for setting our strategic direction, met four times during the year. At each meeting the trustees received a governance update and discussed the implications for the Charity.

The Audit Committee, which met twice during the year, has delegated responsibility on behalf of the Board for:

- reviewing the financial statements and the application of appropriate accounting policies; and
- providing oversight of the external audit process by monitoring and reviewing its effectiveness, independence and objectivity.

Matters which are reserved to the Board include appointing the Chief Executive, agreeing our strategy, plans and budget, appointing external auditors and approving key policies such as the risk management and investment policies.

Management and Staff

Responsibility for the day-to-day management of the Charity is delegated to the Chief Executive, Alison Hutchinson CBE, within the strategic and accountability frameworks established by the trustees and includes responsibility to negotiate and enter into agreements on behalf of the Charity in the ordinary course of business.

We support the principles of equality, diversity and inclusion in the Charity Governance Code and take these into account when recruiting trustees, management, and staff, balanced with our specific needs as a growing and changing charity. 1 staff member is registered as disabled (2023: 1).

We are actively looking for diversity of input to better inform the decisions of the Board. In terms of gender diversity, as well as having a female CEO, and by the end of the year 42.9% (2023: 42.9%) of our trustees are women.

We have adopted a hybrid working policy of some days in the office and some working from home, which has been welcomed by our staff, and has assisted with recruitment by increasing the attractiveness of working with us and broadening the availability of experienced candidates.

The trustees would like to thank our volunteers who support our day-to-day activities, and the members of our three advisory boards who also give their time voluntarily to bring their industry experience to bear in supporting the development of our strategy and the pursuit of our objectives.

Pay Policy for Senior Staff

The trustees consider that the Board and the senior management team comprise the key management personnel of Pennies responsible for directing, controlling, and running it on a day-to-day basis.

All trustees give their time freely and no trustee received remuneration in the year.

Senior staff pay is reviewed annually. Wherever possible, we benchmark salaries paid for comparable roles in the charitable sector adjusting for any additional responsibilities.

Pensions and Other Benefits

We have a workplace pension scheme and make the minimum statutory contributions for all enrolled employees. Also 4 employees have employer pension contributions paid by us as part of a salary sacrifice scheme (2023: 4).

There were no additional benefits provided to staff in the year.

Risk Management

The Board recognises its responsibilities for ensuring that an appropriate framework is in place to identify, monitor and mitigate risks to our objectives and has accordingly adopted a Risk Management Policy. The risk management register is reviewed at least annually by the Board and any issues which could impact the Charity, including any reputational implications, are raised and discussed by the Trustees at meetings during the year. The register identifies the major risks to which the Charity is exposed together with the actions and systems in place to mitigate or reduce the exposure to those risks.

The review carried out in 2024 identified that the key risks are:

1. Key person dependency – principally the unplanned exit or long-term absence of key members of the Pennies team who possess charity-critical abilities and knowledge.

   This is managed by maintaining an attractive remuneration and flexible working policy commensurate with Pennies' size and sector, sharing knowledge across the team, ensuring

adequate notice periods are in place in employee contracts and the implementation of systems to centralise and store key contact data and communications.

2. Other micro-donation schemes – no entity has ownership of micro-donating and there are other propositions in the marketplace. Although we welcome any initiative that aligns with our objective to maximise charitable giving, too many disparate micro-donating schemes could start to impact on our operating model and poor executions could be confused with Pennies and inadvertently cause reputational damage.

   This is managed by promoting the value-add and CSR benefits that the Charity brings to both technology partners and retailers through its expertise/support. We continue to develop the Pennies brand with consumers as a trusted and primary micro-donation organisation and transparent charity supporting the wider charity sector through the social impact we enable.

3. Cyber-attack – given our reliance on digital technology there is an omni-present risk of such an attack, countered by the measures we have in place to defend our systems and the fact we do not hold any personal or card data which partially devalues its worth to attackers.

   An attack on us is more likely to be malicious behaviour in an attempt to prevent us from operating.

   This is managed by the Pennies donation ask, where prompted by our own systems, being designed to fail gracefully and the option to donate simply disappearing. The risk would then be confined to the value of donations lost while it is resolved. All of our cloud solutions are externally hosted, managed and backed up per industry standards.

4. Attempt to defraud – we have grown micro-donations significantly and we are now handling significant sums in terms of donations received and grants paid. Therefore, we recognise this as an inherent risk in a fundraising/grant making model such as Pennies. It is worth noting that the average donation value received by the Charity in 2024 was £0.24 (2023: £0.23)

   This is managed by in-house security measures to both monitor incoming donations and manage outgoing grant payments and other operational payments. Our control procedures have been, and are continually, reviewed by our external auditors.

Internal Controls

The trustees have overall responsibility for ensuring that we have in place appropriate financial and other systems and controls to provide assurance that we:

- operate efficiently and effectively;
- safeguard our assets against unauthorised use;
- maintain accurate financial and other records; and
- comply with relevant laws.

The systems of financial control are designed to provide a reasonable but not absolute level of effectiveness and include:

- an operational plan and annual budget;
- annual review of the risk management register;
- regular monitoring of actual results against budgets and forecasts; and
- delegation of authority to the Chief Executive for expenditure and committing the Charity within the agreed budgets.

During the year the trustees met 4 times (2023: 4) to review our progress and, where required, approve the following:

- reports from the executive team on progress against plans;
- an annual budget and a number of reforecasts during the year;
- the top-down risk profile for the Charity;
- the evolving governance requirements and implications for the Charity;
- regular management accounts highlighting any variances from budget or reforecast; and
- monthly updates on progress against strategic objectives.

Financial Review

Since launching in 2010 up to the end of 2024, consumer donations to Pennies have continued to grow substantially, having raised a total of £59.3m from over 245m consumer micro donations, from which we have made grants totalling £54.8m to more than 1,000 charities across a breadth of causes, and retained £4.5m for our own charitable purposes.

The Statement of Financial Activities on page 18 shows total incoming resources of £11,450,284 (2023: £9,386,831) which is analysed in note 2 to the financial statements. This represents an increase of 22% compared to the previous year.

In 2024 income from Pennies donations increased to £10,565,460 (2023: £8,743,583), which represents an increase of 20.8% compared to the previous year. This increase was due to a full year of donations in 2024 from merchants who launched Pennies during 2023 and from 34 new merchant or merchant shopping channels who launched in 2024. Income from companies, foundations and individuals also increased to £755,336 (2023: £601,283), which represents an increase of 25.6% compared to the previous year, the details of all of the above can be found in note 2 to the financial statements.

In January 2024 the Charity commenced an office sharing arrangement which resulted in income of £42,574 (2023: £nil).

245 million
micro-donations made since launch

We are extremely grateful for the generous donations from individuals, companies and charitable foundations that support the Charity and provide funding for our core costs. Over time, as Pennies grows, we aim to become self-sufficient from the small percentage of retained Pennies donations. In 2024 over 50% of annual operational expenditure (total expenditure less grants payable and donated services and facilities) was covered by retained Pennies donations. This percentage is expected to increase over the coming years as Pennies donations grow.

The Statement of Financial Activities shows total resources expended of £11,352,038 (2023: £9,376,632) which is analysed in note 3 to the financial statements. This represents an increase of 21% compared to last year largely due to an increase in grants payable. Of the resources expended, £10,974,555 (2023: £8,994,180) was spent directly on charitable activities, the majority in the form of grants to other charities, £256,947 (2023: £284,227) was spent supporting charitable activities, and £120,536 (2023: £98,224) was spent on governance.

16%
increase in volume of donations

22%
increase in income in 2024

At the balance sheet date, we held funds of £1,496,202 (2023: £1,397,956), all of which (2023: 100%) is unrestricted and available for general use.

All cash funds are held at our bankers (HSBC), either in a current account or in an interest-bearing account on either short term deposit or with instant withdrawal.

Investment Policy

Our investment policy is to retain funds in a liquid form to facilitate meeting the costs incurred in the furtherance of our objectives and to enable us to make timely grant payments to nominated and approved charities. Our funds are therefore either held in a current account or in liquid interest-bearing bank deposit accounts with our bankers, HSBC. The trustees keep the policy under review to ensure it remains appropriate in light of the expected growth of our income in the short to medium term.

Reserves Policy and Going Concern

The trustees are aware of the requirement for charities to manage the level of reserves that they hold and to adopt a policy which determines the level of reserves which they believe would be appropriate to maintain.

At the end of the year the balance of unrestricted funds held had increased slightly over the previous year at £1.5m (2023: £1.39m), and within the target level to maintain a general reserve of unrestricted funds equal to at least nine months' operational expenditure (£1.2m) on a forward-looking basis.

The trustees have considered the current level of reserves, and the evident sustainability of the Pennies model. They have also reviewed available liquid resources in the context of the operating and spending plans over the next 18-month period, together with the ability to raise further funds or curtail spending if required. Based on these considerations, the trustees believe that we have sufficient financial resources to continue in operational existence for the foreseeable future and that we are well placed to manage our operating risks successfully.

The trustees have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements. There is no material uncertainty about our ability to continue as a going concern.

Grant Making Policy

The Board has full responsibility for the distribution of all funds under its management.

Recognising the important role of merchants and payment service providers in enabling us to raise money and make grant payments to other charities, the trustees invite them as appropriate to nominate charities to benefit from a major proportion of the funds they raise, provided that the nominees comply with our overall criteria and on-going requirements. These always include complying with applicable legislation and the provision of impact information in respect of the grants.

All grants made by us are to charities registered with the Charity Commission for England and Wales or the equivalent in Scotland, Northern Ireland, the Republic of Ireland, Jersey, or the Isle of Man. The aims of the charities must fall within, or be analogous to, the descriptions of charitable purposes as set out in the Charities Act 2011 and they must be able to demonstrate public benefit as defined by the Charity Commission of England and Wales.

Funding is not available to individuals or unregistered bodies, and we will not support charities having the principal objective of the advancement of religion or political activism.

Charities delivering a wide range of services, across a breadth of causes, were supported during the year. Our website (https://pennies.org.uk/) has information about the charities that we have supported and continues to support. Note 4 to the accounts also gives details of all charities that received a grant in excess of £5,000 during the year or previous year.

We require all the benefitting charities, on request, to provide representative information about how grants are used and the difference they make to their beneficiaries. The information is published on our website and also regularly disseminated using social and other media.

This includes working with benefitting charities who themselves are grant makers to understand and monitor how Pennies' grants have been used in the furtherance of their objectives. Further information is available in the published accounts of the benefitting charities.

Achievement and Performance

Good progress was made in the following areas during the year:

- For the first time we raised over £10m in Pennies donations in a year.
- The value of consumer donations alone (excluding donations from a merchant where for example they match their customer donations for a period of time), grew by 27% in 2024.
- In 2024 someone made a Pennies donation every 0.7 seconds.
- Since launch almost a quarter of a billion Pennies donations have been made
- In 2024 we surpassed 1,000 charities supported by Pennies grants since launch.

1,000+ charities

supported since launch

257 charities in 2024 alone

Strategy and Plans for Future Periods

We are working with our existing merchant partners to drive increasing donation levels by focusing on improving donation conversion levels and by exploring new shopping channels where Pennies is not currently offered.

We are also focused on growing Pennies donations by implementing the Pennies donation option with new merchants, in more sectors and in more channels.

As the payments industry increasingly favours plug-ins for additional features for their customers, we are seeing a material uptake in the use of our Pennies donation API for both in-store and online donations. The same can be said for our e-commerce donation cartridges which make it very easy for an e-commerce merchant to implement Pennies.

Our overall aim remains the same, which is to continue to grow Pennies micro-donations significantly over the coming years as more and more consumers are offered the option to donate, and more do so, as awareness builds of the resulting positive social impact.

Increasingly our partners are asking for an international Pennies solution and in preparation we were delighted to sign in January 2024 a partnership agreement with the King Baudouin Foundation, based in Belgium, with whom we are exploring a number of international territories where our current partners are active and interested in supporting charities with Pennies in each country where they operate.

In order to support our growth plans we have initiated a project to consider replatforming and developing our back-office system to enhance our operational and multi-currency capabilities and take advantage of modern technology platforms. This is likely to be a significant investment in 2025/26.
Over the longer term we are aiming, and are on track, to fully cover our core costs from a small percentage of the Pennies donations. Until we reach that point, we will continue to seek funding from foundations, individuals and other organisations for core costs not yet fully covered by retained Pennies donations.

Related Parties

Related Party transactions are disclosed in Note 8 to the financial statements.

Statement of Trustees' Responsibilities

The trustees (who are also directors of The Pennies 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

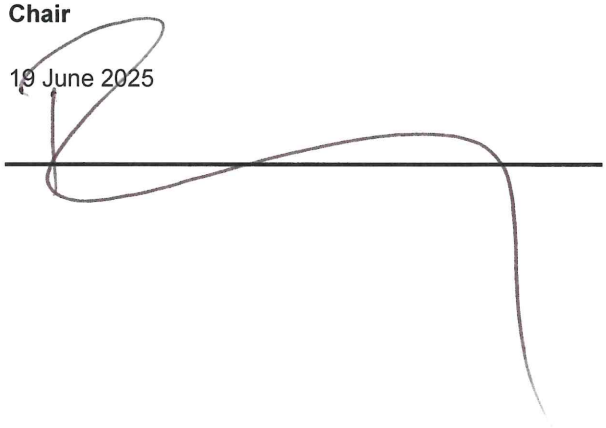
Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions relating to small companies set out in Statutory Instrument 2008/409 under the Companies Act 2006.

Signed on behalf of the Board of Trustees

Robert Leitão
Chair

19 June 2025



Independent auditor's report to the Members of The Pennies Foundation

Opinion

We have audited the financial statements of The Pennies Foundation (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

- In our opinion the financial statements:
- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which 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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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 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 exemption from the requirement to prepare a Strategic Report or in preparing Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 14 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might

occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting non-routine correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Fundraising Regulations and the Code of Fundraising Practice. We performed audit procedures to inquire of management whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risks of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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

This description forms part of our auditor's report.

Use of our report

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

RSM UK Audit LLP

HANNAH CATCHPOOL (Senior Statutory Auditor)
For and on behalf of
RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date

19 June 2025

The Pennies Foundation

Statement of Financial Activities (incorporating an income and expenditure account)
For the year ended 31 December 2024

	Note	Unrestricted £	Restricted £	**2024 Total £**	Unrestricted £	Restricted £	2023 Total £
Income from:							
Donations	2, 19-21	1,654,012	9,706,015	**11,360,027**	1,362,126	8,007,922	9,370,048
Investments	2	47,683	-	**47,683**	16,783	-	16,783
Other income	2	42,574	-	**42,574**	-	-	-
Total income		1,744,269.00	9,706,015	**11,450,284**	1,378,909	8,007,922	9,386,831
Expenditure on:							
Charitable activities	3, 19-21	1,646,023	9,706,015	**11,352,038**	1,368,710	8,007,922	9,376,632
Total expenditure		1,646,023	9,706,015	**11,352,038**	1,368,710	8,007,922	9,376,632
Net income for the year	5	98,246	-	**98,246**	10,199	-	10,199
Transfers between funds		-	-	**-**	-	-	-
Net movement in funds		98,246	-	**98,246**	10,199	-	10,199
Reconciliation of funds:							
Total funds brought forward	17a	1,397,956	-	**1,397,956**	1,387,757	-	1,387,757
Total funds carried forward		1,496,202	-	**1,496,202**	1,397,956	-	1,397,956

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17a to the financial statements.

Balance Sheet as at 31 December 2024

	Note	£	2024 £	£	2023 £
Fixed assets:					
Intangible assets	10		**102,212**		125,132
Tangible assets	11		**39,981**		52,002
Investments	12		**-**		1
			142,193		177,135
Current assets:					
Debtors	14	**1,531,555**		1,043,527	
Cash at bank and in hand		**2,446,814**		2,192,610	
		3,978,369		3,236,137	
Liabilities:					
Creditors: amounts falling due within one year	15	**(2,624,360)**		(2,015,316)	
Net current assets			**1,354,009**		1,220,821
Total assets less current liabilities			**1,496,202**		1,397,956
Total net assets			**1,496,202**		1,397,956
The funds of the charity:					
Unrestricted income funds:					
General funds	16	**1,496,202**		1,397,956	
Total unrestricted funds			**1,496,202**		1,397,956
Total charity funds			**1,496,202**		1,397,956

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 18 to 35 are approved by the trustees and authorised for issue on 19 June 2025 and signed

Robert Leitão
Chair

Graham Edwards
Audit Committee Chair

The Pennies Foundation

Statement of Cash Flows for the year ended 31 December 2024

	Note		2024		2023
		£	£	£	£
Cash flows from operating activities	18		**251,548**		185,875
Cash flows from investing activities:					
Interest income		**47,683**		16,783	
Purchase of intangible fixed assets		**(36,750)**		(80,588)	
Purchase of tangible fixed assets		**(8,278)**		(6,638)	
Net cash provided by / (used in) investing activities			**2,656**		(70,443)
Change in cash and cash equivalents in the year			**254,204**		115,432
Cash and cash equivalents at the beginning of the year			**2,192,610**		2,077,178
Cash and cash equivalents at the end of the year			**2,446,814**		2,192,610

1 Accounting policies

a) Statutory information

The Pennies Foundation is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is First Floor, 64 London Wall, London, EC2M 5TP.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The Charity has a wholly owned subsidiary, Your Penny Limited, which has not traded since incorporation in 2009 and therefore consolidated accounts have not been prepared on the basis of materiality. Your Penny Limited was dissolved on 11 February 2025.

The Charity is a company limited by guarantee. The trustees are also members of the company, a register of which is held at the Charity's business address. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

The financial statements are presented in GBP pounds sterling (£), which is the functional currency of the Charity, and all values are rounded to the nearest £, except where indicated.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees have considered the current level of reserves, and the evident sustainability of the Pennies model as demonstrated by the resilience in donation levels in 2024, and have reviewed available liquid resources in the context of the operating and spending plans for at least the 18 month period to June 2026, together with the ability to raise further funds or curtail spending if required.

Based on these considerations, the trustees believe that we have sufficient financial resources to continue in operational existence for the foreseeable future and that we are well placed to manage our operating risks successfully. The trustees have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Donation and grant income

Donation income is included in the Statement of Financial Activities when the Charity becomes entitled to the resources, the receipt is probable, and the donation is measurable.

Grant income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised but the trustees' report has more information about their contribution on page 8.

Donated gifts, professional services and donated facilities are recognised upon receipt on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Unrestricted funds are donations and other incoming resources which are available for use at the discretion of the trustees in furtherance of the general objects of the Charity and which have not been designated for a specific purpose.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the costs of encouraging and facilitating charitable giving using technology supporting microgiving at the point of sale with retail partners, undertaken to further the purposes of the Charity and its associated support and governance costs.

The Charity does not make VAT related supplies and is unable to recover VAT. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Grants payable

Grants payable are made to other charities in furtherance of the Charity's objects. Grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of each activity, comprising salary and overhead costs, is apportioned on the basis of estimated staff time of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the Charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Charity's activities.

l) Operating leases

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

m) Fixed assets

Both tangible and intangible assets with a cost in excess of £500 are capitalised. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Assets under construction are not depreciated and comprise expenditure on the purchase, creation or enhancement of tangible or intangible assets not brought into use at the Balance Sheet date. Transfers are made from assets under construction to the relevant category of asset when the asset is brought into use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Tangible assets	
Leasehold Improvements	Over the life of the lease
Office furniture	8 years
Computer and office equipment	3 years
Intangible assets	
Systems software	5 years
Other computer software	3 years

1 Accounting policies (continued)

n) Investments in subsidiaries

Investment in the Charity's subsidiary company, Your Penny Limited, is valued at cost less a provision for impairment. See note 12 for more information. Your Penny Limited was dissolved on 11 February 2025.

o) Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income is recognised within debtors dependent on when it is anticipated that this is receivable.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Foreign Currencies

Foreign currency balances (Euros) have been translated at the rate of exchange ruling at the balance sheet date into sterling. Income and expenditure transactions incurred in foreign currency have been translated during the course of the period at the rate of exchange ruling at the time of the transaction.

r) Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value and subsequently measured at their settlement value.

t) Pensions

The Charity has a workplace pension money purchase scheme for employees operated by The People's Pension. Employees are automatically enrolled into this scheme unless they have exercised their right to opt out of scheme membership. Employees joining the scheme contract directly with The People's Pension. The Charity makes a contribution of 3% of salary (2023: 3%) and acts as an agent in collecting and paying over contributions. The contributions for the accounting period are treated as an expense and were £31,934 (2023: £28,263). Contributions owing at the year end were £2,943 (2023: £nil) and are included in other accruals in note 15.

u) Judgements in applying accounting policies and key sources of estimation uncertainty

The trustees have reviewed the accounts and believe there to be no material judgements applied in or estimation uncertainty included in the financial statements.

2 Analysis of incoming resources

	Unrestricted £	Restricted £	2024 Total £	2023 Total £
Voluntary Income				
Donations to Pennies ("Pennies donations")	889,445	9,676,015	**10,565,460**	8,743,583
Corporates and Foundations				
Oak Foundation	100,000	-	**100,000**	250,000
Pears Foundation	300,000	-	**300,000**	
Other donations	325,336	30,000	**355,336**	351,283
Other Income				
Office recharge income	42,574	-	**42,574**	-
Donated services				
Marketing services	2,800	-	**2,800**	2,800
Other services	34,231	-	**34,231**	18,182
Computer software licences	2,200	-	**2,200**	4,200
	1,696,586	9,706,015	**11,402,601**	9,370,048
Investment Income				
Bank interest	47,683	-	**47,683**	16,783
	1,744,269	9,706,015	**11,450,284**	9,386,831

Pennies donations consist of micro donations made by members of the public via Pennies, the digital charity box.

The trustees have agreed to grant a proportion of Pennies donations to charities registered with the Charity Commission for England and Wales or the equivalent in Scotland, Northern Ireland, the Republic of Ireland, or the Isle of Man, that have been nominated by retailers which offer their customers the opportunity to donate via Pennies. This proportion of Pennies donations is treated as restricted income. All other Pennies donations are unrestricted.

3 Analysis of expenditure

	Direct Charitable Activities £	Support Costs £	Governance costs £	2024 Total £	2023 Total £
Grants payable (note 4)	9,676,015	-	-	**9,676,015**	7,977,922
Staff costs (Note 6)	934,454	173,051	51,579	**1,159,085**	1,031,275
Office costs	256,300	47,464	14,147	**317,911**	227,706
Marketing	73,557	-	-	**73,557**	60,153
Auditors remuneration	-	-	45,060	**45,060**	34,264
Insurance	-	-	6,959	**6,959**	7,190
Legal fees	-	-	2,791	**2,791**	2,200
Consultancy fees	30,738	-	-	**30,738**	10,068
Volunteer expenses	691	-	-	**691**	672
Donated services & facilities	2,800	36,431	-	**39,231**	25,182
Total expenditure 2024	**10,974,555**	**256,947**	**120,536**	**11,352,038**	**9,376,632**
Total expenditure 2023	**8,994,181**	**284,227**	**98,224**	**9,376,632**	

Expenditure on charitable activities includes costs of:
- facilitating micro-donation using the Pennies digital charity box when consumers pay for goods and services in-store, online and using mobile devices;
- administering the collection of Pennies donations and the disbursement to charities of Pennies grants; and
- promoting the micro donation movement for the charity sector as a whole and specifically publicising the social impact of the Pennies donations.

4 Grant making

The following grants to charities were payable to institutions during the year:

	2024	2023
	£	£
Action Against Hunger	**2,254**	11,209
Action Aid	**1,275**	12,932
Age UK	**28,752**	52,187
Alzheimer's Research UK	**47,634**	-
Alzheimer's Society	**178,353**	190,850
ANDYSMANCLUB	**14,048**	15,777
Aspens Charities	**5,197**	-
Association of Air Ambulances	**53,480**	12,651
Aston Villa Foundation	**1,656**	5,008
Bags for Strife	**22,385**	15,244
Barons Court Project Ltd	**7,398**	-
Barretstown [Registered in Ireland]	**340,936**	224,863
BBC Children in Need	**7,639**	7,685
BEN Motor and Allied Trades Benevolent Fund	**6,494**	6,964
Birmingham Children's Hospital Charity	**50,722**	66,864
Blue Cross	**9,721**	38,746
BMC Access and Conservation Trust	**-**	34,215
British Heart Foundation	**80,086**	90,606
British Paralympic Association	**26,314**	3,188
Cancer Help (Preston) Ltd	**11,895**	-
Cancer Research UK	**94,391**	146,820
Central Lancashire Age Concern	**5,591**	-
Charity projects	**84,509**	-
Children On The Edge	**-**	12,397
Children's Society	**38,715**	-
Choose Love (Prism the Gift Fund)	**30,820**	50,781
CLIC Sargent Cancer Care for Children	**11,042**	33,581
Conservation International	**14,172**	9,375
Crisis UK	**8,560**	341
Cure LeUKaemia	**43,762**	51,044
Dandelion Time	**7,724**	-
Dementia Adventure	**7,619**	5,943
Dementia UK	**278,790**	171,314
Derian House Children's Hospice	**12,400**	-
Disasters Emergency Committee	**15,671**	14,993
Dove House Hospice	**23,810**	13,160
East Anglia's Children's Hospices	**5,328**	-
Eden Valley Hospice	**7,371**	-
Fareshare UK	**15,183**	-
FatFace Foundation	**4,109**	5,283
Friends Of Picu	**6,091**	-
Glasgow Children's Hospital Charity	**24,677**	33,079
Great Ormond Street Hospital Children's Charity	**183,970**	163,421
Greenfingers Charity	**10,635**	7,723
Growing Well Limited	**12,892**	-
Hearing Dogs For Deaf People	**38,989**	-
Heart Heroes	**10,000**	-
Heartbeat North West Cardiac Care	**12,490**	14,503
Helen & Douglas House	**7,789**	-
Hendy Foundation	**2,878**	12,251
Home-Start UK	**33,863**	40,292
HoneyRose Foundation	**8,258**	8,586
Hospice UK	**20,129**	-
Ilkley and District Good Neighbours	**7,774**	8,426
Jersey Children's Charity [Registered in Jersey]	**5,206**	6,729
JIGSAW (The National Centre for Youth Mental Health) [Registered in Ireland]	**8,985**	-
Kent, Surrey & Sussex Air Ambulance Trust	**16,791**	-
Langdale Ambleside Mountain Rescue Team	**11,908**	-
Sub total	**2,029,129**	**1,599,031**

carried forward from previous page	**2,029,129**	**1,599,031**
Learning Foundation	**208,886**	210,627
Leeds Cares	**12,284**	14,695
Lewis-Manning Hospice Care	**6,323**	-
Lia's Wings	**25,291**	-
Macmillan Cancer Support	**1,152,749**	1,187,543
Macmillan Cancer Support Jersey [Registered in Jersey]	**20,328**	21,664
Maggie Keswick Jencks Cancer Care	**192,650**	86,165
Marie Curie	**819,720**	-
Mental Health Foundation	**48,237**	51,226
Mental Health Innovation	**161,487**	-
MIND (National Association for Mental Health)	**13,614**	109,960
Moto in the Community	**304,608**	135,028
Motor Neurone Disease Association	**65,744**	-
My Canine Companion [Registered in Ireland]	**39,119**	64,500
National Deaf Children's Society	**-**	24,138
NHS Charities Together	**-**	5,138
Noah's Ark Children's Hospital Charity	**8,455**	12,515
Norfolk And Waveney Mind	**11,048**	-
North Lancashire Downs Syndrome Family And Carers Group	**13,364**	-
North West Air Ambulance Charity	**55,956**	46,512
North West Anglia Hospitals Charity	**7,902**	-
North Yorkshire Hospice Care	**5,229**	6,189
Northern Ireland Hospice	**29,004**	28,241
OneSight EssilorLuxottica Foundation	**97,325**	42,071
Outdoor Access Trust For Scotland	**5,752**	-
Ovarian Cancer Action	**32,698**	-
Poundland Foundation	**1,204,231**	1,050,098
Prevent Breast Cancer	**12,194**	14,410
Prostate Cancer UK	**32,287**	50,322
Queen Victoria NHS Foundations Trust Charitable Fund	**7,300**	-
Rays of Sunshine	**-**	60,000
Refuge	**20,129**	-
Royal Society For The Protection Of Birds	**23,421**	-
Samaritans	**58,579**	-
Save the Children Fund	**1,757**	71,580
Shelter	**14,829**	28,593
Signpost Stockport For Carers	**5,274**	-
Spadework	**4,397**	5,374
Special Olympics GB	**-**	53,589
Spread a Smile	**-**	15,146
Spring-Dorset NHS Charity	**5,498**	-
St Catherine'S Hospice (Lancashire) Ltd	**11,781**	-
St John'S Hospice	**6,160**	-
St Mary'S Hospice Limited	**10,320**	-
St Mungo Community Housing Association	**28,475**	-
Target Ovarian Cancer	**6,196**	30,771
Teenage Cancer Trust	**597,784**	681,703
Teens Unite Fighting Cancer	**26,760**	-
The Adnams Community Trust	**5,059**	4,791
The Alder Hey Children's Charity	**50,722**	66,864
The Back-Up Trust	**26,908**	-
The Boathouse Youth Limited	**12,951**	-
The Brain Charity	**6,618**	-
The Brain Tumour Charity	**-**	35,763
The Children'S Adventure Farm Trust	**11,671**	-
The Children's Hospital Charity	**11,115**	13,095
The English Heritage Trust	**180,917**	49,428
The Guide Dogs for the Blind Association	**38,658**	9,439
Sub total	**5,759,766**	**4,287,178**

carried forward from previous page	**5,759,766**	**4,287,178**

The JD Foundation	**462,811**	542,201
The Lake District Calvert Trust	**12,433**	-
The Majestic Charitable Foundation	**18,533**	-
The Movement For Non-Mobile Children (Whizz-Kidz)	**26,218**	-
The National Society for the Prevention of Cruelty to Children	**25,991**	5,049
The Police Arboretum Memorial Trust	**33,592**	-
The Prince's Trust	**20,130**	15,407
The Ramblers' Association	**635**	38,166
The Scout Association	**20,129**	-
The Screwfix Foundation	**587,519**	624,793
The St Peter and St James Charitable Trust	**8,217**	-
The Trussell Trust	**3,281**	29,431
The Wave Project	**16,450**	-
Together for Short Lives	**58,921**	94,404
Turning Tides Homelessness	**7,536**	-
United Kingdom for UNHCR	**20,348**	7,480
Uttlesford Food Bank	**40**	5,037
Walking With The Wounded	**875**	5,022
Wallace & Gromit's Children's Foundation	**50,722**	66,864
Welsh Air Ambulance Charitable Trust	**17,834**	-
Wilderness Foundation UK	**30,114**	49,352
YHA England & Wales	**52,238**	6,302
Yorkshire Air Ambulance Limited	**16,004**	-
Yorkshire Wildlife Park Foundation	**20,262**	8,665
Young Epilepsy	**-**	53,945
Youth Cancer Trust (UK) Limited	**8,644**	-
Zsl (Zoological Society Of London)	**27,490**	-

Movement in grants payable on accrued donations or donations received and awaiting a grant nomination as at the year end	£ **193,795**	£ 123,998
Other grants equal to or less than £5,000	£ **146,358**	£ 415,597
Total grants payable	**9,676,015**	**7,977,922**

The Trustees Report provides more information relating to the Charity's grant making policy.

Grants payable include a commitment of £2,416,755 (2023: £1,894,456) for grants paid to charities after the year end.

5 Net (expenditure) / income for the year

This is stated after charging:

	2024	2023
	£	£
Depreciation of tangible fixed assets	**20,302**	18,335
Amortisation of intangible fixed assets	**59,669**	43,653
Operating lease rentals:		
Property	**41,128**	41,010
Other	**-**	300
Auditors' remuneration (including VAT):		
Audit fees	**45,060**	34,268

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024	2023
	£	£
Salaries and wages	948,747	854,239
Social security costs	100,260	87,267
Employer's contribution to defined contribution pension schemes	86,477	79,323
Staff Recruitment costs	20,429	7,349
Other staff costs	3,172	3,097
	1,159,085	1,031,275

The following number of employees received employee benefits of over £60,000 (excluding employer pension costs) during the year in the following ranges:

	2024	2023
	No.	No.
£60,001 - £70,000	1	1
£70,001 - £80,000	2	1
£90,001 - £100,000	1	1

The total employee benefits of the key management personnel were as follows:

	2024	2023
	£	£
Salaries and wages	236,300	225,488
Social security costs	28,844	26,283
Employer's contribution to defined contribution pension schemes	50,491	55,151
	315,635	306,922

The Charity trustees were neither paid nor received any other benefits from the Charity in the year (2023: £nil). No Charity trustee received payment for professional or other services supplied to the Charity (2023: £nil).

The Charity trustees were neither paid nor received any expenses from the Charity in the year (2023 £nil). During the year and, up to the date of approval of the Trustees' report, there was a qualifying third-party indemnity in place for directors, as allowed by Section 234 of the Companies Act 2006.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 20 (2023: 18).

Staff are split across the activities of the charitable company as follows (full time equivalent basis):

	2024 No.	2023 No.
Charitable Activities	15	13
Support & Governance	5	5
	20	18

8 Related party transactions

Alison Hutchinson, the CEO of the Charity, is a non-executive director of the retailer DFS Furniture plc which owns Sofology Limited. During the year Sofology Limited supported the Charity by enabling Pennies in its stores collecting £28,511 (2023: £53,883) for UK charities. At the end of the year Sofology Limited owed the Charity £1,004 (2023: £299) for donations collected on its behalf.

Robert Leitão, a trustee, is a managing partner at Rothschild & Co. During the year the Charity paid Rothschild & Co £14,818 (2023: £16,094) for hosting the Charity's annual event for over 200 people and providing audio and video production facilities. In addition Rothschild & Co supported the Charity by providing the function room for the annual event, and occasional meeting rooms during the year, valued in total at £3,501 (2023: £2,982) on a pro bono basis.

Angela Luger, a trustee, is a non-executive director of the retailer JD Sports Fashion plc. During the year a number of their retail brands in both the UK and Ireland supported the Charity by enabling Pennies in their stores collecting £514,083 (2023: £599,499) for UK and Irish charities. At the end of the year JD Sports Fashion plc owed the Charity £69,501 (2023: £89,945) for donations collected on its behalf.

Julian Taylor, a trustee, is a partner in the law firm of Simmons and Simmons which supported the Charity by providing legal advice valued at £19,515 (2023: £17,980) on a pro bono basis.

Penny Lovell, a trustee, is a trustee of Prism The Gift Fund (charity registration 1099682). In 2024 the Charity granted £30,820 (2023: £50,781) to Prism The Gift Fund.

There was no bad or doubtful debts provision or expense from related parties.

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Intangible fixed assets

	Under construction £	Systems software £	Other computer software £	Total £
Cost				
At the start of the year	12,448	121,662	232,344	**366,454**
Transfers	(12,448)	-	12,448	**-**
Additions in year	17,842	-	18,908	**36,750**
At the end of the year	17,842	121,662	263,700	**403,204**
Amortisation				
At the start of the year	-	61,686	179,637	**241,323**
Charge for the year	-	31,834	27,835	**59,669**
At the end of the year	-	93,520	207,472	**300,992**
Net book value				
At the end of the year	17,842	28,142	56,228	**102,212**
At the start of the year	12,449	59,976	52,707	125,132

All of the above assets are used for charitable purposes.

Capital commitments as at 31 December 2024 totalled £33,755 (2023: £4,950)

11 Tangible fixed assets

	Leasehold Improvements £	Office Furniture £	Office & Computer equipment £	Total £
Cost				
At the start of the year	82,822	26,537	21,410	**130,769**
Additions in year	-	-	8,278	**8,278**
At the end of the year	82,822	26,537	29,688	**139,047**
Depreciation				
At the start of the year	49,514	15,808	13,444	**78,766**
Charge for the year	10,802	3,462	6,036	**20,300**
At the end of the year	60,316	19,270	19,480	**99,066**
Net book value				
At the end of the year	22,506	7,267	10,208	**39,981**
At the start of the year	33,308	10,729	7,966	**52,003**

All of the above assets are used for charitable purposes.

Both the amortisation and depreciation charge for the year are included in unrestricted expenditure on charitable activities in the Statement of Financial Activities

12 Investments

The Charity owned 100% of the issued share capital of Your Penny Limited, a private limited company registered in England and Wales (registered number 6880306), being £1 share. The investment was valued at £1 (2023: £1) being £1 for the share capital. Your Penny Limited remained a dormant company throughout the financial year. During the year, the investment was impaired and subsequently written off. Following the year-end, Your Penny Limited was dissolved on 11 February 2025.

13. Financial and other commitments

At 31 December 2024 the Charity had total commitments under non-cancellable operating leases as detailed below:

	Property		Equipment	
	2024	2023	**2024**	2023
	£	£	**£**	£
Less than one year	**71,856**	46,420	**150**	600
One to five years	**159,266**	205,686	**-**	650
	231,122	252,106	**150**	1,250

In 2019, the Charity entered a lease for office premises commencing on 24 May 2019 and expiring on 31 January 2027.

14. Debtors

	2024	2023
	£	£
Donation debtors	**1,093,773**	831,484
Accrued income	**372,450**	150,234
Prepayments	**38,528**	36,872
Rent deposit	**24,937**	24,937
Other debtors	**1,867**	-
	1,531,555	1,043,527

Donation debtors represent Pennies donations collected and invoiced but not yet paid to the Charity at the year end.

Accrued income represents Pennies donations collected but not yet invoiced at the year end.

The rent deposit relates to the Charity's lease on office premises entered into in 2019, which will be held for more than one year.

15. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	**47,262**	16,661
Amounts due to subsidiary	**-**	1
Taxation and social security	**32,234**	24,450
Grant accruals	**2,416,755**	1,894,456
Other accruals	**128,109**	79,748
	2,624,360	2,015,316

16a Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Intangible fixed assets	102,212	-	**102,212**
Tangible fixed assets	39,981	-	**39,981**
Investments	-	-	**-**
Net current assets	1,354,009	-	**1,354,009**
Net assets at 31 December 2024	**1,496,202**	**-**	**1,496,202**

16b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Intangible fixed assets	125,132	-	**125,132**
Tangible fixed assets	52,002	-	**52,002**
Investments	1	-	**1**
Net Current assets	1,220,821	-	**1,220,821**
Net assets at 1 January 2024	**1,397,956**	**-**	**1,397,956**

17a Movements in funds (current year)

	At 1 January 2024 £	Income & gains £	Expenditure & losses £	Transfers in/(out) £	At 31 December 2024 £
Restricted funds:					
Pennies donations	-	9,676,015	(9,676,015)	-	**-**
Other restricted fund	-	30,000	(30,000)	-	**-**
Total restricted funds	-	9,706,015	(9,706,015)	-	**-**
General funds	1,397,956	1,744,269	(1,646,023)	-	**1,496,202**
Total unrestricted funds	1,397,956	1,744,269	(1,646,023)	-	**1,496,202**
Total funds	1,397,956	11,450,284	(11,352,038)	-	**1,496,202**

Purposes of restricted funds

Pennies Donations

The Pennies Donations restricted fund represents the proportion of Pennies donations which the trustees have agreed to grant to UK, Republic of Ireland, Isle of Man, or Jersey registered charities which have been nominated by retailers which offer their customers the opportunity to donate via the digital charity box. The proportion and the nominated charity are named at the point of donation. The movement in this fund is disclosed in note 4 to the financial statements.

Other restricted fund

The other restricted fund represents a donation in support of the Pennies annual event which was held in October 2024.

17b Movements in funds (prior year)

	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers in/(out) £	**At 1 January 2024 £**
Restricted funds:					
Pennies donations	-	7,977,922	(7,977,922)	-	-
Other restricted fund	-	30,000	(30,000)	-	-
Total restricted funds	-	8,007,922	(8,007,922)	-	-
General funds	1,387,757	1,378,909	(1,368,710)	-	**1,397,956**
Total unrestricted funds	1,387,757	1,378,909	(1,368,710)	-	**1,397,956**
Total funds	1,387,757	1,378,909	(1,368,710)	-	**1,397,956**

18. Reconciliation of net income to net cash flow from operating activities

	2024 £	2023 £
Net income for the reporting period (as per the statement of financial activities)	**98,246**	10,198
Depreciation and amortisation charges	**79,969**	61,988
Interest from investments	**(47,683)**	(16,783)
(Increase) in debtors	**(488,028)**	(42,102)
Increase in creditors	**609,044**	172,573
Net cash provided by operating activities	**251,548**	185,874

19. Ireland Activities

During the year, the Charity collected the following income from donations in Ireland:

	Unrestricted £	Restricted £	**2024 Total £**	**2023 Total £**
Voluntary Income				
Consumer donations to Pennies ("Pennies donations")	44,362	401,040	**445,402**	318,587

During the year, the Charity incurred the following expenditure in Ireland:

	Direct Charitable Activities £	Governance costs £	**2024 Total £**	**2023 Total £**
Grants payable (see analysis below)	401,040	-	**401,040**	289,892
Total expenditure 2024	**401,040**	-	**401,040**	**289,892**
Total expenditure 2023	**289,892**	-	**289,892**	

Of the total expenditure, £nil was unrestricted (2023: £nil) and £401,040 was restricted (2023: £289,892).

19. Ireland Activities (continued)

Analysis of grants payable

Of the income collected in Ireland, the following grants to charities were payable to institutions during the year:

	2024	2023
	£	£
Barretstown	**340,936**	224,863
My Canine Companion	**39,119**	64,500
JIGSAW (The National Centre for Youth Mental Health)	**8,985**	-
Grants payable on accrued donations or donations received and awaiting a grant nomination as at the year end	**10,648**	224
Other grants equal to or less than £5,000	**1,352**	305
Total grants payable	**401,040**	**289,892**

Grants payable include a commitment of £85,449 (2023: £106,608) for grants paid to charities in Ireland after the year end.

20. Jersey Activities

During the year, the Charity collected the following income from donations in Jersey:

	Unrestricted	Restricted	2024 Total	2023 Total
	£	£	£	£
Voluntary Income				
Consumer donations to Pennies ("Pennies donations")	2,365	38,295	**40,660**	42,054

During the year, the Charity incurred the following expenditure in Jersey:

	Direct Charitable Activities	Governance costs	2024 Total	2023 Total
	£	£	£	£
Grants payable (see analysis below)	38,295	-	**38,295**	38,534
Governance costs	-	-	-	-
	38,295	-	38,295	38,534
Total expenditure 2024	**38,295**	-	**38,295**	-
Total expenditure 2023	**38,534**	-	**38,534**	

Of the total expenditure, £nil was unrestricted (2023: £nil) and £38,295 was restricted (2023: £38,534).

20. Jersey Activities (continued)

Analysis of grants payable

Of the income collected in Jersey, the following grants to charities were payable to institutions during the year:

	2024	2023
	£	£
Jersey Children's Charity	**5,206**	6,729
Macmillan Cancer Support Jersey	**20,328**	21,664
Other grants equal to or less than £5,000	**12,761**	10,141
Total grants payable	**38,295**	38,534

Grants payable include a commitment of £2,082 (2023: £2,814) for grants paid to charities in Jersey after the year end.

21. Isle of Man Activities

During the year, the Charity collected the following income from donations in the Isle of Man:

	Unrestricted	Restricted	2024 Total	2023 Total
	£	£	**£**	£
Voluntary Income				
Consumer donations to Pennies ("Pennies donations")	1,615	15,049	**16,664**	13,400

During the year, the Charity incurred the following expenditure in the Isle of Man:

	Direct Charitable Activities	Governance costs	2024 Total	2023 Total
	£	£	**£**	£
Grants payable (see analysis below)	15,049	-	**15,049**	12,319
Governance costs	-	10,066	**10,066**	4,657
	15,049	10,066	25,115	16,976
Total expenditure 2024	**15,049**	**10,066**	**25,115**	**16,976**
Total expenditure 2023	**12,319**	**4,657**	**16,976**	

Of the total expenditure, £10,466 was unrestricted (2023: £4,657) and £15,049 was restricted (2023: £12,319).

Analysis of grants payable

Of the income collected in the Isle of Man, the following grants to charities were payable to institutions during the year:

	2024	2023
	£	£
CLIC Sargent Cancer Care for Children	**55**	85
Isle of Play	**2,876**	4,456
Macmillan Cancer Support	**-**	1
Marie Curie	**1,314**	-
Poundland Foundation	**8,957**	6,010
Teenage Cancer Trust	**835**	583
The JD Foundation	**1,012**	1,184
Total grants payable	**15,049**	**12,319**

Grants payable include a commitment of £1,147 (2023: £1,374) for grants paid to charities in the Isle of Man after the year end.

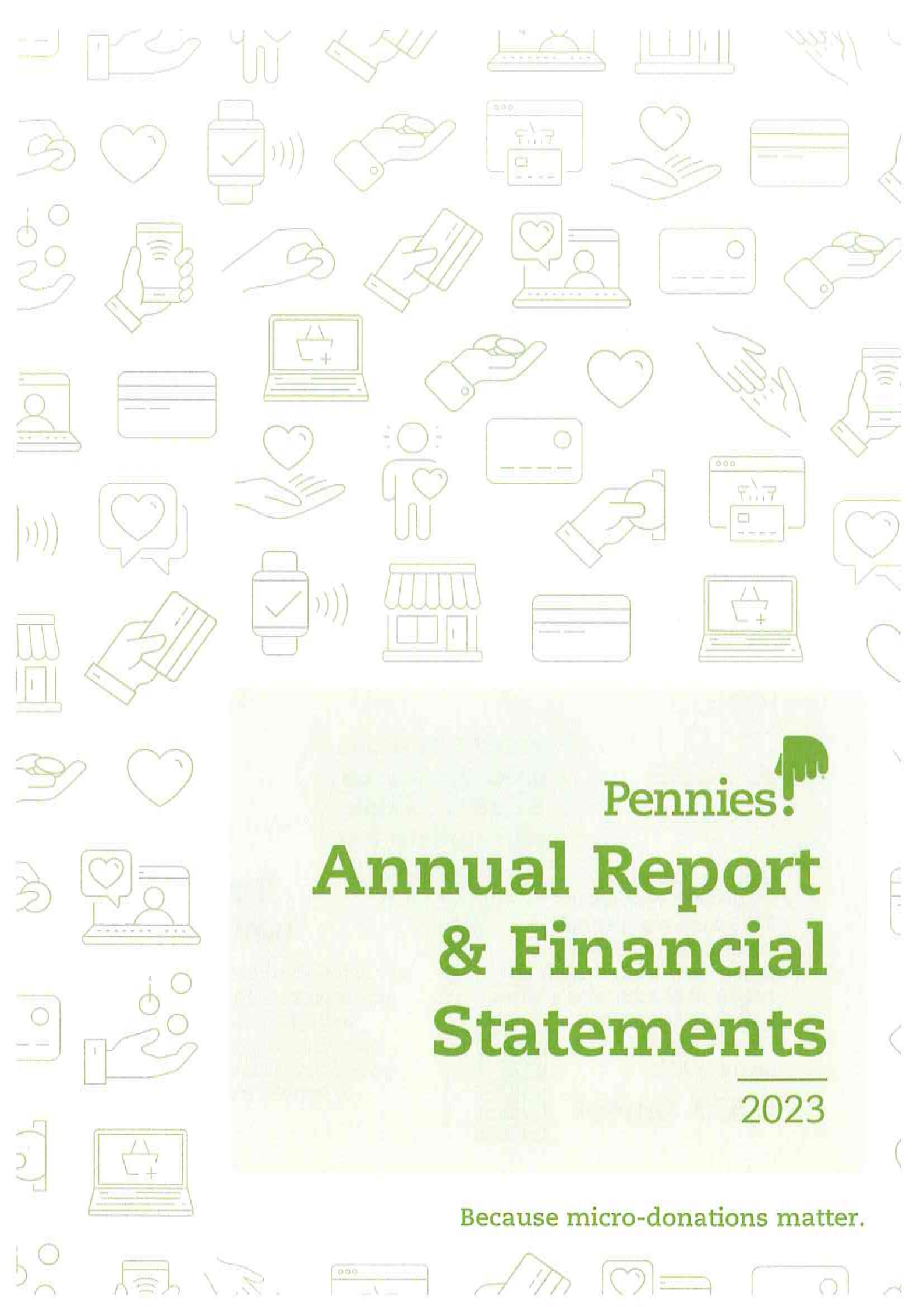
22. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

THE PENNIES FOUNDATION

England & Wales - Charity number 1122489

Accounts



Pennies!

Annual Report & Financial Statements

2023

Because micro-donations matter.

Pennies

The impact of micro-donations

In 2023, someone made a donation with Pennies every 0.86 seconds.

Every day

customers of a forecourt operator donate enough that Macmillan Cancer Support could fund their Online Community - a support network for people living with and affected by cancer - for a whole day.

15 minutes

of micro-donations made by customers of a regional co-operative could help pay for six people affected by dementia get free, life changing support from a national Helpline.

In 2023, Pennies grew donations by 28%, raising £8.7 million for charity.

If all the donations made with Pennies in 2023 were real pennies stacked on top of each other, they would reach the height of Manchester's tallest building, Deansgate Square South Tower, an incredible

6,577 times!

Two hours

of customer micro-donations at a fragrance retailer could help the charity Rays of Sunshine fund an isolation pack for a seriously ill child to benefit from when in hospital.

The Pennies Foundation

Annual report and financial statements

for the year ended 31 December 2023

Registered in England and Wales charity number: 1122489
Registered in the Republic of Ireland charity number: 20106331
Registered in the Isle of Man charity number: 1275
Company number: 6418982

Registered office:
1st Floor
64 London Wall
London, EC2M 5TP

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Legal and Administrative Information

Registered Charity Numbers

England and Wales	1122489
Republic of Ireland	20106331
Isle of Man	1275

Company Registration Numbers

England and Wales	06418982
Isle of Man	006181F

Governing Instrument	Articles of Association	(Amended 12 August 2019)
Trustees	Robert Leitão	Chair
	Peter Ayliffe	Audit Committee member
	Graham Edwards	Audit Committee Chair
	Ian Filby	Resigned 4 April 2023
	Penny Lovell	
	Angela Luger	
	Julian Taylor	Audit Committee member
	Leigh Thomas	
Chief Executive	Alison Hutchinson CBE	
Registered Office and Business Address	First Floor 64 London Wall London EC2M 5TP	
Banker	HSBC Bank plc 94 Kensington High Street London W8 4SH	
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB	
Solicitor	Simmons & Simmons LLP Citypoint One Ropemaker Street London EC2Y 9SS	
Website	https://pennies.org.uk/	

The Report of the Trustees

The trustees are pleased to present their annual directors' report together with the financial statements of The Pennies Foundation (working name "Pennies") for the year ending 31 December 2023, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Our Values

- **We care to our core**
- **We inspire people to take action**
- **We make things happen**
- **We adapt as needed**

Vision, Objects, Purpose of the Charity, and Public Benefit

Our Vision
Wherever and whenever people pay by card or digitally, they will be given the opportunity to donate a few pence to charity, in a simple, safe and sustainable way.

Our Mission
To protect and grow micro-donations – ensuring that the public has digital ways to keep donating the small amounts of money that are so vital for charitable causes.

Our Purpose
To make micro-donations easy in an increasingly cashless society.

Objects of the Charity
The Charity's objects are, for the benefit of the public:

1. The promotion of the voluntary sector in particular (but not exclusively) by encouraging and facilitating charitable giving, assisting in the application of funds for charitable purposes and monitoring the use of such funds by charitable organisations;

2. The promotion of the efficiency and effectiveness of charities and the effective use of charitable resources in particular (but not exclusively) by providing advice to charities and organisations seeking to maximise charitable giving, exchanging information with such charities and organisations and providing technology and infrastructure designed to make it easier to give to charity; and

3. Such other purposes that are exclusively charitable as the trustees from time to time think fit.

Strategies to Achieve Our Objectives

A trusted leader in digital micro-donations, Pennies has created a movement that offers businesses a powerful way to demonstrate social purpose, helps charities make a greater impact, and gives consumers an affordable way to donate without cash as part of their daily lives.

In an increasingly cashless society, our digital charity box provides an accessible way to add a small donation to transactions when paying by card, digital wallet or in-app.

Pennies is a simple, affordable, and private way to donate, with 100% of funds raised going to charity.

We work with the payments, technology and digital commerce platform sectors to introduce micro-donation opportunities to more channels, unlocking the functionality for the benefit of the charity sector. We focus on the security and efficiency of digital micro-donating, giving consumers an easy opportunity to support charities as they go about their daily lives.
As a significant proportion of Pennies' social value is created by the impact of the micro-donations we enable, we can deduce that significant additional social value will have been created through our work in 2023. In addition, by working with our partners to enable micro-donating we are helping them to fulfil their own social objectives to give back to the communities in which they operate.

Public Benefit, Environmental and Social Impact

The trustees confirm that, in carrying out their responsibilities and exercising their powers, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission for England and Wales.

Pennies is independent, enabling it to lead the micro-donation movement for the benefit of the entire charity sector, and we engage across all technologies, merchants, hospitality sectors and channels. Micro-donations could inject £1bn per annum into the UK charity sector if every UK card holder gave just 35p a week.

As set out in this report, our charitable activities include implementing Pennies with our partners to give consumers the option to donate their "digital change" whenever they use cards or other digital payment methods to pay for goods and services. The sums collected are donated to us and we then make grants to approved registered charities. We do not collect or hold personal data relating to individual donors and our retail partners undertake not to contact them about their donations. We are focused on encouraging and facilitating charitable giving through micro-donations, thereby supporting the UK charitable sector.

The trustees consider that, as registered charities are required to demonstrate explicitly that their aims fulfil the requirements of public benefit, and as our activities are directed towards making grants to charities which are registered with at least one of the Charity Commission for England and Wales, the Office of the Scottish Charity Regulator, the Charity Commission for Northern Ireland, the Charities Regulatory Authority in the Republic of Ireland, the Association of Jersey Charities, or the Isle of Man Charities Central Registry, our activities are wholly for the public benefit.

In addition, we provide information about our social impact on our website at https://pennies.org.uk/our-impact, to highlight the breadth of causes and charities benefitting from Pennies. We also carry out our own impact evaluation of the use of the funds by those charities and we regularly publish information on our website relating to the work of the charities that benefit.

The trustees consider that Pennies has a low environmental impact as a digital-only initiative that does not require the manufacture or transport of physical goods. In addition, we occupy a single office location easily accessible by public transport, which was refurbished in 2019 with the latest energy-efficient heating and lighting. We are continuing with a hybrid working pattern, introduced in 2021, which means that fewer days are worked in the office, thereby saving a significant portion of staff travel time and the impact that has on the environment.

> **"Pennies is focused on encouraging and facilitating charitable giving through micro-donations, thereby supporting the UK charitable sector."**

Structure, Governance and Management

The Charity is a private company limited by guarantee, registered in England and Wales (number 06418982) and is a charity registered with the Charity Commission for England and Wales (number 1122489), with the Charities Regulatory Authority in the Republic of Ireland (number 20106331), and is registered with the Jersey Financial Services Commission as required by The Non-Profit Organisations (Jersey) Law 2008 (the "NPO Law"), and with the Isle of Man Charities Central Registry (number 1275).

The Charity's governing document is the Articles of Association adopted on 6 November 2007 and amended on 12 August 2019 (the Constitution).

Trustees consider the principles set out in the Charity Governance Code, refreshed at the end of 2020, when carrying out their duties. During the year we prepared an evaluation of how the Charity apply the Code's principles and recommended practices. The evaluation showed that most of the Code's recommended good practices are followed. We will continue to use the code as a tool to support continuous improvement as the Charity develops, and to focus on the areas for improvement and further implementation.

The liability of the members is limited, and each member agrees to contribute up to £10 in the event of the Charity being wound up. The trustees are the only members of the Charity and they automatically become members on appointment to the Board of Trustees (Board).

The Charity has a wholly owned subsidiary, Your Penny Limited, which is a private limited company registered in England and Wales (registered number 6880306). Your Penny Limited is a dormant company.

The Charity is registered with the Fundraising Regulator and has committed to follow the Code of Fundraising Practice and the Fundraising Promise. In 2023 we received a total of 5 complaints (2022: 3 complaints) which is extremely low in the context of the total number of donations for the year which was 38.4 million (2022: 28 million). We responded to, and resolved, each complaint with the complainants. Pennies is a pressure-free way to donate to charity prompted by technology, without the need for a person to make the ask, allowing the consumer to confidentially choose to donate anonymously, as no personal data is asked for or collected.

Trustees

The Constitution requires at least three trustees but there is no maximum number. As set out in the Constitution the trustees have the power at any time to appoint any person who is able and willing to be a trustee. Trustees are appointed for an initial term of three years and may be reappointed by the trustees for further terms of three years. In the event that a Trustee has served in office for three consecutive terms of three years, such Trustee may be reappointed by the Trustees for further terms of three years after the end of their third term in office if 75% of the Trustees resolve that they are reappointed, taking account of the Trustee's contribution to the Board as a whole. This flexibility is of great value to the Charity in its still relatively early years, and in a period of continual rapid growth and development, having a consistency of key board members is very welcome.

During the year Peter Ayliffe reached the end of his 3-year term in office, and as the conditions were deemed to be met, was reappointed for a further 3-year term.

When recruiting new trustees, the Charity aims to attract a breadth of skills and diversity commensurate with our stage of development as a growing charity. Board appointments are based on merit and whether a candidate has the skills and knowledge to be an effective trustee and has the ability to support the ambitious donation growth targets set by the Board of Trustees over the short to medium term.

Prior to appointment, trustees receive a comprehensive induction pack which includes the Constitution, background on Pennies and its aims, our *Code of Conduct for Trustees* and *Conflict of Interest Policy* and information about their role and responsibilities. Both new and existing trustees have the opportunity to meet regularly with the Chief Executive, the senior management team and other members of staff, and when required further training is arranged for a trustee as an individual or for the Board as a whole.

The following either served as trustees during the financial year or were trustees at the date of this report:

Robert Leitão	Chair
Peter Ayliffe	Audit Committee Member
Graham Edwards	Audit Committee Chair
Ian Filby	Resigned 4 April 2023
Penny Lovell	
Angela Luger	
Julian Taylor	Audit Committee Member
Leigh Thomas	

The trustees, who are collectively responsible for the Charity's governance, for ensuring delivery of our charitable objectives and for setting our strategic

direction, met four times during the year. At each meeting the trustees received a governance update and discussed the implications for the Charity.

The Audit Committee, which met twice during the year, has delegated responsibility on behalf of the Board for:

- reviewing the financial statements and the application of appropriate accounting policies; and
- providing oversight of the external audit process by monitoring and reviewing its effectiveness, independence and objectivity.

Matters which are reserved to the Board include appointing the Chief Executive, agreeing our strategy, plans and budget, appointing external auditors and approving key policies such as the risk management and investment policies.

Management and Staff

Responsibility for the day-to-day management of the Charity is delegated to the Chief Executive, Alison Hutchinson CBE, within the strategic and accountability frameworks established by the trustees and includes responsibility to negotiate and enter into agreements on behalf of the Charity in the ordinary course of business.

We support the principles of equality, diversity and inclusion in the Charity Governance Code and take these into account when recruiting trustees, management, and staff, balanced with our specific needs as a growing and changing charity. 1 staff member is registered as disabled (2022: nil).

We are actively looking for diversity of input to better inform the decisions of the Board. In terms of gender diversity, as well as having a female CEO, and by the end of the year 42.9% (2022: 37.5%) of our trustees are women. Over time, as we become more established, we expect to see a continuous improvement in the wider areas of equality, diversity and inclusion.

We have adopted a hybrid working policy of some days in the office and some working from home, which has been welcomed by our staff, and has assisted with recruitment by increasing the attractiveness of working with us and broadening the availability of experienced candidates.

The trustees would like to thank our volunteers who support our day-to-day activities, and the members of our three advisory boards who also give their time voluntarily to bring their industry experience to bear in supporting the development of our strategy and the pursuit of our objectives.

Pay Policy for Senior Staff

The trustees consider that the Board and the senior management team comprise the key management personnel of Pennies responsible for directing, controlling, and running it on a day-to-day basis.

All trustees give their time freely and no trustee received remuneration in the year.

Senior staff pay is reviewed annually. Wherever possible, we benchmark salaries paid for comparable roles in the charitable sector adjusting for any additional responsibilities.

Pensions and Other Benefits

We have a workplace pension scheme and make the minimum statutory contributions for all enrolled employees. Also 4 employees have employer pension contributions paid by us as part of a salary sacrifice scheme (2022: 1).

There were no additional benefits provided to staff in the year.

Risk Management

The Board recognises its responsibilities for ensuring that an appropriate framework is in place to identify, monitor and mitigate risks to our objectives and has accordingly adopted a Risk Management Policy. The risk management register is reviewed at least annually by the Board and any issues which could impact the Charity, including any reputational implications, are raised and discussed by the Trustees at meetings during the year. The register identifies the major risks to which the Charity is exposed together with the actions and systems in place to mitigate or reduce the exposure to those risks.

The review carried out in 2023 identified that the key risks are:

1. Key person dependency - principally the unplanned exit or long-term absence of key members of the Pennies team who possess charity-critical abilities and knowledge. This is managed by maintaining an attractive remuneration and flexible working policy commensurate with Pennies' size and sector, sharing knowledge across the team, ensuring adequate notice periods are in place in employee contracts and the implementation of systems to centralise and store key contact data and communications.

2. Reliance on third party technology companies – this includes both those who have agreed to enable Pennies as a feature of their own product offering, as well as those who have developed and maintained our increasing range of Pennies' applications and products. This is managed by maintaining close relationships with these technology companies, having clear agreements in place, and with the assistance of members of the Advisory Boards who are senior industry figures.

3. Merchant failure – even though the Charity has not suffered a bad debt since it commenced operations, this is recognised as a key risk given the continuing challenging economic circumstances and the potentially high impact if a larger merchant partner was to suddenly fail coupled with an associated reputational risk to the Charity of such a failure. This is managed by credit checking new merchants before they join, maintaining a close relationship with all key merchants, and a focus on credit control.

4. Other micro-donation schemes – no entity has ownership of micro-donating and there are other propositions in the marketplace. Although we welcome any initiative that aligns with our objective to maximise charitable giving, too many disparate micro-donating schemes could start to impact on our operating model and poor executions could be confused with Pennies and inadvertently cause reputational damage. This is managed by promoting the value-add that the Charity brings to both technology partners and retailers through its expertise/support, and the CSR benefits we bring. We continue to develop the Pennies brand with consumers as a trusted and primary micro-donation organisation and transparent charity supporting the wider charity sector through the social impact we enable.

Internal Controls

The trustees have overall responsibility for ensuring that we have in place appropriate financial and other systems and controls to provide assurance that we:

- operate efficiently and effectively;
- safeguard our assets against unauthorised use;
- maintain accurate financial and other records; and
- comply with relevant laws.

The systems of financial control are designed to provide a reasonable but not absolute level of effectiveness and include:

- an operational plan and annual budget;
- annual review of the risk management register;
- regular monitoring of actual results against budgets and forecasts; and
- delegation of authority to the Chief Executive for expenditure and committing the Charity within the agreed budgets.

During the year the trustees met 4 times (2022: 4) to review our progress and, where required, approve the following:

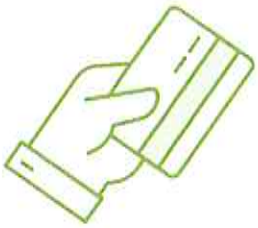
- reports from the executive team on progress against plans;
- an annual budget and a number of reforecasts during the year;
- the top-down risk profile for the Charity;
- the evolving governance requirements and implications for the Charity; and
- regular management accounts highlighting any variances from budget or reforecast.

Financial Review

Since launching in 2010 up to the end of 2023, consumer donations to Pennies have continued to grow substantially, having raised a total of £48.8m from over 200m consumer micro donations, from which we have made grants totalling £45.1m to more than 950 charities across a breadth of causes, and retained £3.7m for our own charitable purposes.

The Statement of Financial Activities on page 17 shows total incoming resources of £9,386,831 (2022: £7,434,508) which is analysed in note 2 to the financial statements. This represents an increase of 26.3% compared to the previous year.

In 2023 income from Pennies donations increased to £8,743,583 (2022: £6,844,205), which represents an increase of 27.8% compared to the previous year. Income from companies, foundations and individuals also increased to £601,283 (2022: £551,159), which represents an increase of 9.1% compared to the previous year, the details of all of the above can be found in note 2 to the financial statements.



200 million
micro-donations reached in 2023

We are extremely grateful for the generous donations from individuals, companies and charitable foundations that support the Charity and provide funding for our core costs. Over time, as Pennies grows, we aim to become self-sufficient from the small percentage of retained Pennies donations. In 2023 good progress was made in this area and by the end of the year 56% of annual operational expenditure (total expenditure less grants payable and donated services and facilities) was covered by retained Pennies donations.

The Statement of Financial Activities shows total resources expended of £9,376,632 (2022: £7,558,111) which is analysed in note 3 to the financial statements. This represents an increase of 24.1% compared to last year largely due to an increase in grants payable. Of the resources expended, £8,994,180 (2022: £7,216,251) was spent directly on charitable activities, the majority in the form of grants to other charities, £284,227 (2022: £247,472) was spent supporting charitable activities, and £98,224 (2022: £94,388) was spent on governance.

37%
increase in volume of donations

27.8%
increase in income in 2023

At the balance sheet date, we held funds of £1,397,956 (2022: £1,387,757), all of which (2022: £1,387,757) is unrestricted and available for general use.

All cash funds are held at our bankers (HSBC), either in a current account or in an interest-bearing deposit account with instant withdrawal.

Investment Policy

Our investment policy is to retain funds in a liquid form to facilitate meeting the costs incurred in the furtherance of our objectives and to enable us to make timely grant payments to nominated and approved charities. Our funds are therefore either held in a current account or in liquid interest-bearing bank deposit accounts with our bankers, HSBC. The trustees keep the policy under review to ensure it remains appropriate in light of the expected growth of our income in the short to medium term.

Reserves Policy and Going Concern

The trustees are aware of the requirement for charities to manage the level of reserves that they hold and to adopt a policy which determines the level of reserves which they believe would be appropriate to maintain.

At the end of the year the balance of unrestricted funds held was constant with the previous year at £1.39m, and within the target level to maintain a general reserve of unrestricted funds equal to at least nine months' operational expenditure on a forward looking basis.

The trustees have considered the current level of reserves, and the evident sustainability of the Pennies model. They have also reviewed available liquid resources in the context of the operating and spending plans over the next 18-month period, together with the ability to raise further funds or curtail spending if required. Based on these considerations, the trustees believe that we have sufficient financial resources to continue in operational existence for the foreseeable future and that we are well placed to manage our operating risks successfully.

The trustees have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements. There is no material uncertainty about our ability to continue as a going concern.

Grant Making Policy

The Board has full responsibility for the distribution of all funds under its management.

Recognising the important role of merchants and payment service providers in enabling us to raise money and make grant payments to other charities, the trustees invite them as appropriate to nominate charities to benefit from a major proportion of the funds they raise, provided that the nominees comply with our overall criteria and on-going requirements. These always include complying with applicable legislation and the provision of impact information in respect of the grants.

All grants made by us are to charities registered with the Charity Commission for England and Wales or the equivalent in Scotland, Northern Ireland, the Republic of Ireland, Jersey, or the Isle of Man. The aims of the charities must fall within, or be analogous to, the descriptions of charitable purposes as set out in the Charities Act 2011 and they must be able to demonstrate public benefit as defined by the Charity Commission of England and Wales.

Funding is not available to individuals or unregistered bodies, and we will not support charities having the principal objective of the advancement of religion or political activism.

Charities delivering a wide range of services, across a breadth of causes, were supported during the year. Our website (https://pennies.org.uk/) has information about the charities that we have supported and continues to support. Note 4 to the accounts also gives details of all charities that received a grant in excess of £5,000 during the year or previous year.

We require all the benefitting charities, on request, to provide representative information about how grants are used and the difference they make to their beneficiaries. The information is published on our website and also regularly disseminated using social and other media.

This includes working with benefitting charities who themselves are grant makers to understand and monitor how Pennies' grants have been used in the furtherance of their objectives. Further information is available in the published accounts of the benefitting charities.

Achievement and Performance

Good progress was made in the following areas during the year:

- We raised £8.7m from 38.4m Pennies donations which represents a significant increase of 27.8% in value, and a record breaking increase of 37% in volume, over 2022 as more people than ever make a donation to Pennies.
- We saw Pennies donations grow in value by 350%, and in volume by 477%, in the Republic of Ireland due to launching with Dealz, owned by Poundland in the UK who are also a Pennies' partner.
- We supported 324 charities, more than twice as many as in 2022, bringing the total since launch to over 950, and the value of grants paid or payable to charities grew by 27.5%.
- We launched Pennies with 25 new merchants in 2023, equalling the record set in 2022.

950 charities

supported since launch

324 charities in 2023 alone

Strategy and Plans for Future Periods

In the continuing challenging economic times, in particular for the retail and hospitality sector which are critical sectors for the Charity, we will continue to do what we can to support our partners and respond to inevitable changes across retail, hospitality and payments. We will be focused on working with our merchant partners to increase donation conversion rates amongst their customers being offered the opportunity to donate.

We are also focused on growing Pennies donations by implementing the Pennies donation option with new merchants, in more sectors and in more channels, with a continued focus on e-commerce, given the availability of our cartridges which make it very easy for an e-commerce merchant to implement Pennies.

Overall, our continual aim is to grow Pennies micro-donations significantly over the coming years as more and more consumers are offered the option to donate, and more do so as awareness builds of the resulting positive social impact.

Increasingly our partners are asking for an international Pennies solution and in preparation we were delighted to sign in 2024 a partnership agreement with the King Baudouin Foundation, based in Belgium, with whom we are exploring a number of international territories where our current partners are active and interested in supporting charities with Pennies in each country where they operate.

Over the longer term we are aiming, and are on track, to fully cover our core costs from a small percentage of the Pennies donations. Until we reach that point, we will continue to seek funding from foundations, individuals and other organisations for core costs not yet fully covered by retained Pennies donations.

Related Parties

Related Party transactions are disclosed in Note 8 to the financial statements.

Scan to watch CEO Alison Hutchinson's address from the Pennies Autumn Celebration 2023.

Statement of Trustees' Responsibilities

The trustees (who are also directors of The Pennies 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

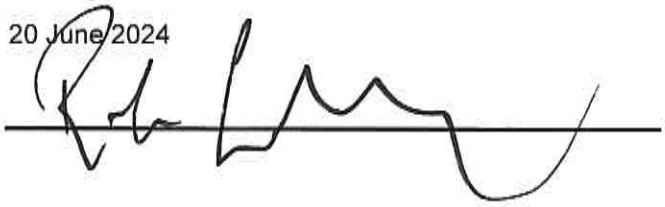
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions relating to small companies set out in Statutory Instrument 2008/409 under the Companies Act 2006.

Signed on behalf of the Board of Trustees

Robert Leitão
Chair

20 June 2024



Independent auditor's report to the Members of The Pennies Foundation

Opinion

We have audited the financial statements of The Pennies Foundation (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

- In our opinion the financial statements:
- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which 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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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 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 exemption from the requirement to prepare a Strategic Report or in preparing Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 12 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might

occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting non-routine correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Fundraising Regulations and the Code of Fundraising Practice. We performed audit procedures to inquire of management whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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

Use of our report

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

RSM UK Audit LLP

HANNAH CATCHPOOL (Senior Statutory Auditor)
For and on behalf of
RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date

26th June 2024

Statement of Financial Activities (incorporating an income and expenditure account)
For the year ended 31 December 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Income from:							
Donations	2, 19	1,362,126	8,007,922	**9,370,048**	1,144,291	6,287,984	7,432,275
Investments	2	16,783	-	**16,783**	2,233	-	2,233
Total income		1,378,909	8,007,922	**9,386,831**	1,146,524	6,287,984	7,434,508
Expenditure on:							
Charitable activities	3, 19	1,368,710	8,007,922	**9,376,632**	1,270,127	6,287,984	7,558,111
Total expenditure		1,368,710	8,007,922	**9,376,632**	1,270,127	6,287,984	7,558,111
Net income/(expenditure) for the year	5	10,199	-	**10,199**	(123,603)	-	(123,603)
Transfers between funds		-	-	-	45,944	(45,944)	-
Net movement in funds		10,199	-	**10,199**	(77,659)	(45,944)	(123,603)
Reconciliation of funds:							
Total funds brought forward	17a	1,387,757	-	**1,387,757**	1,465,416	45,944	1,511,360
Total funds carried forward		1,397,956	-	**1,397,956**	1,387,757	-	1,387,757

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17a to the financial statements.

Balance Sheet as at 31 December 2023

	Note	£	2023 £	£	2022 £
Fixed assets:					
Intangible assets	10		**125,132**		88,197
Tangible assets	11		**52,002**		63,699
Investments	12		**1**		1
			177,135		151,897
Current assets:					
Debtors	14	**1,043,527**		1,001,425	
Cash at bank and in hand		**2,192,610**		2,077,178	
		3,236,137		3,078,603	
Liabilities:					
Creditors: amounts falling due within one year	15	**(2,015,316)**		(1,842,743)	
Net current assets			**1,220,821**		1,235,860
Total assets less current liabilities			**1,397,956**		1,387,757
Total net assets			**1,397,956**		1,387,757
The funds of the charity:					
Unrestricted income funds:					
General funds	16	**1,397,956**		1,387,757	
Total unrestricted funds			**1,397,956**		1,387,757
Total charity funds			**1,397,956**		1,387,757

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the trustees and authorised for issue on 20th June 2024 and signed on their behalf by

Robert Leitão
Chair

Graham Edwards
Audit Committee Chair

The Pennies Foundation

Statement of Cash Flows for the year ended 31 December 2023

	Note	£	2023 £	£	2022 £
Cash flows from operating activities	18		185,875		231,024
Cash flows from investing activities:					
Interest income		16,783		2,233	
Purchase of intangible fixed assets		(80,588)		(30,949)	
Purchase of tangible fixed assets		(6,639)		(3,825)	
Net cash (used in) investing activities			(70,443)		(32,541)
Change in cash and cash equivalents in the year			115,432		198,483
Cash and cash equivalents at the beginning of the year			2,077,178		1,878,695
Cash and cash equivalents at the end of the year			2,192,610		2,077,178

1 Accounting policies

a) Statutory information

The Pennies Foundation is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is First Floor, 64 London Wall, London, EC2M 5TP

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The Charity has a wholly owned subsidiary, Your Penny Limited, which has not traded since incorporation in 2009 and therefore consolidated accounts have not been prepared on the basis of materiality.

The Charity is a company limited by guarantee. The trustees are also members of the company, a register of which is held at the Charity's business address. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

The financial statements are presented in GBP pounds sterling (£), which is the functional currency of the Charity, and all values are rounded to the nearest £, except where indicated.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees have considered the current level of reserves, and the evident sustainability of the Pennies model as demonstrated by the resilience in donation levels in 2023, and have reviewed available liquid resources in the context of the operating and spending plans over the 18 month period to June 2024, together with the ability to raise further funds or curtail spending if required.

Based on these considerations, the trustees believe that we have sufficient financial resources to continue in operational existence for the foreseeable future and that we are well placed to manage our operating risks successfully. The trustees have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Donation and grant income

Donation income is included in the Statement of Financial Activities when the Charity becomes entitled to the resources, the receipt is probable, and the donation is measurable. Gift aid is included based on amounts recoverable at the accounting date.

Grant income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised but the trustees' annual report has more information about their contribution on page 8.

Donated gifts, professional services and donated facilities are recognised upon receipt on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1 Accounting policies (continued)

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Unrestricted funds are donations and other incoming resources which are available for use at the discretion of the trustees in furtherance of the general objects of the Charity and which have not been designated for a specific purpose.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the costs of encouraging and facilitating charitable giving using technology supporting microgiving at the point of sale with retail partners, undertaken to further the purposes of the Charity and its associated support and governance costs.

The Charity does not make VAT related supplies and is unable to recover VAT. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Grants payable

Grants payable are made to other charities in furtherance of the Charity's objects. Grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of each activity, comprising salary and overhead costs, is apportioned on the basis of estimated staff time of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the Charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Charity's activities.

l) Operating leases

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

m) Fixed assets

Both tangible and intangible assets with a cost in excess of £500 are capitalised. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Assets under construction are not depreciated and comprise expenditure on the purchase, creation or enhancement of tangible or intangible assets not brought into use at the Balance Sheet date. Transfers are made from assets under construction to the relevant category of asset when the asset is brought into use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Tangible assets	
Leasehold Improvements	Over the life of the lease
Office furniture	8 years
Computer and office equipment	3 years
Intangible assets	
Systems software	5 years
Other computer software	3 years

1 Accounting policies (continued)

n) Investments in subsidiaries
Investment in the Charity's subsidiary company, Your Penny Limited, is valued at cost less a provision for impairment. See note 12 for more information.

o) Debtors
Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income is recognised within debtors dependent on when it is anticipated that this is receivable.

p) Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Foreign Currencies
Foreign currency balances (Euros) have been translated at the rate of exchange ruling at the balance sheet date into sterling. Income and expenditure transactions incurred in foreign currency have been translated during the course of the period at the rate of exchange ruling at the time of the transaction.

r) Creditors and provisions
Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments
The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value and subsequently measured at their settlement value.

t) Employee Benefits - terminaton payments
Termination benefits are amounts payable as a result of a decision by the Charity to terminate an individual's employment before the normal retirement date, or an individual's decision to accept voluntary redundancy, and are accounted for on an accruals basis when the Charity is demonstrably committed to the termination of the employment of an individual or group of individuals. The termination benefits for the accounting period are treated as an expense and were £nil (2022: £1,713).

u) Pensions
The Charity has a workplace pension money purchase scheme for employees operated by The People's Pension. Employees are automatically enrolled into this scheme unless they have exercised their right to opt out of scheme membership. Employees joining the scheme contract directly with The People's Pension. The Charity makes a contribution of 3% of salary (2022: 3%) and acts as an agent in collecting and paying over contributions. The contributions for the accounting period are treated as an expense and were £28,263 (2022: £11,118). There were no contributions owing at the year end (2022: £nil).

v) Judgements in applying accounting policies and key sources of estimation uncertainty
The trustees have reviewed the accounts and believe there to be no material judgements applied in or estimation uncertainty included in the financial statements.

2 Analysis of incoming resources

	Unrestricted £	Restricted £	**2023 Total £**	2022 Total £
Voluntary Income				
Consumer donations to Pennies ("Pennies donations")	765,661	7,977,922	**8,743,583**	6,844,205
Corporates and Foundations				
Oak Foundation	250,000	-	**250,000**	400,000
Other donations	321,283	30,000	**351,283**	151,159
Gift aid received	-	-	**-**	200
Donated services				
Marketing services	2,800	-	**2,800**	13,000
Other services	18,182	-	**18,182**	1,609
Computer software licences	4,200	-	**4,200**	22,102
	1,362,126	8,007,922	**9,370,048**	7,432,275
Investment Income				
Bank interest	16,783	-	**16,783**	2,233
	1,378,909	8,007,922	**9,386,831**	7,434,508

Pennies donations consist of micro donations made by members of the public via Pennies, the digital charity box.

The trustees have agreed to grant a proportion of Pennies donations to charities registered with the Charity Commission for England and Wales or the equivalent in Scotland, Northern Ireland, the Republic of Ireland, or the Isle of Man, that have been nominated by retailers which offer their customers the opportunity to donate via Pennies. This proportion of Pennies donations is treated as restricted income. All other Pennies donations are unrestricted.

During the year, the Charity collected £318,587 (2022: £79,652) of income from donations in the Republic of Ireland, and £42,054 (2022: £41,883) of income from donations in Jersey. Income from donations in the Isle of Man is disclosed in note 19 to the financial statements.

3 Analysis of expenditure

	Direct Charitable Activities £	Support Costs £	Governance costs £	**2023 Total £**	2022 Total £
Grants payable (note 4)	7,977,922	-	-	**7,977,922**	6,257,984
Staff costs (Note 6)	772,401	214,232	44,642	**1,031,275**	943,716
Office costs	170,165	47,613	9,928	**227,706**	198,573
Marketing	60,153	-	-	**60,153**	47,975
Auditors remuneration	-	-	34,264	**34,264**	31,740
Insurance	-	-	7,190	**7,190**	5,622
Legal fees	-	-	2,200	**2,200**	18,609
Consultancy fees	10,068	-	-	**10,068**	16,703
Volunteer expenses	672	-	-	**672**	478
Donated services & facilities	2,800	22,382	-	**25,182**	36,711
Total expenditure 2023	**8,994,181**	**284,227**	**98,224**	**9,376,632**	**7,558,111**
Total expenditure 2022	**7,216,251**	**247,472**	**94,388**	**7,558,111**	

Of the total expenditure, £1,343,527 was unrestricted (2022: £1,270,127) and £8,007,922 was restricted (2022: £6,257,984). Expenditure incurred in the Isle of Man is disclosed in note 19 to the financial statements.

Expenditure on charitable activities includes costs of:
- facilitating micro-donation using the Pennies digital charity box when consumers pay for goods and services in store, on line and using mobile devices;
- administering the collection of Pennies donations and the disbursement to charities of Pennies grants; and
- promoting the micro donation movement for the charity sector as a whole and specifically publicising the social impact of the Pennies donations.

4 Grant making

The following grants to charities were payable to institutions during the year:

	2023	2022
	£	£
Action Against Hunger	**11,209**	27,286
Action Aid	**12,932**	7,803
Age UK	**52,187**	123,773
Alzheimer's Society	**190,850**	145,669
ANDYSMANCLUB	**15,777**	-
Association of Air Ambulances	**12,651**	-
Aston Villa Foundation	**5,008**	2,246
Bags for Strife	**15,244**	-
Barnardo's	**-**	11,348
Barretstown	**224,863**	27,384
BBC Children in Need	**7,685**	-
BEN Motor and Allied Trades Benevolent Fund	**6,964**	5,858
Birmingham Children's Hospital Charity	**66,864**	86,461
Bloodwise	**-**	17,832
Blue Cross	**38,746**	29,931
BMC Access and Conservation Trust	**34,215**	-
British Heart Foundation	**90,606**	102,307
British Paralympic Association	**3,188**	7,539
Cancer Research UK	**146,820**	16
CATT's (Cancer Awareness for Teens and Twenties)	**-**	6,391
Children On The Edge	**12,397**	35,623
Choose Love (Prism the Gift Fund)	**50,781**	16,063
Conservation International	**9,375**	13,560
Crisis UK	**341**	12,346
Cure Leukaemia	**51,044**	-
Dementia Adventure	**5,943**	1,295
Dementia UK	**171,314**	-
Disasters Emergency Committee	**14,993**	362,845
Dove House Hospice	**13,160**	751
FatFace Foundation	**5,283**	-
Fight for Peace International	**-**	29,349
Glasgow Children's Hospital Charity	**33,079**	36,881
Grace House North East	**-**	5,053
Great Ormond Street Hospital Children's Charity	**163,421**	205,932
Greenfingers Charity	**7,723**	2,600
Heartbeat North West Cardiac Care	**14,503**	-
Hendy Foundation	**12,251**	14,688
Home-Start UK	**40,292**	5,863
HoneyRose Foundation	**8,586**	-
Hospice UK	**-**	42,269
icandance	**-**	42,587
Ilkley and District Good Neighbours	**8,426**	-
Isle of Play	**4,456**	5,772
Jersey Children's Charity	**6,729**	7,607
Kent Wildlife Trust	**3,892**	8,282
Learning Foundation	**210,627**	163,832
Leeds Cares	**14,695**	19,309
Macmillan Cancer Support	**1,187,543**	804,317
Macmillan Cancer Support Jersey	**21,664**	21,148
Maggie Keswick Jencks Cancer Caring	**86,165**	64,022
Mental Health Foundation	**51,226**	64,150
MIND (National Association for Mental Health)	**109,960**	67,991
Moto in the Community	**135,028**	92,057
My Canine Companion	**64,500**	40,407
Sub total	**3,455,206**	2,788,443

carried forward from previous page	**3,455,206**	2,788,443
National Deaf Children's Society	**24,138**	-
Newcastle upon Tyne Hospitals NHS Charity	**4,607**	5,993
NHS Charities Together	**5,138**	5,272
Noah's Ark Children's Hospital Charity	**12,515**	15,532
North West Air Ambulance Charity	**46,512**	-
North Yorkshire Hospice Care	**6,189**	-
Northern Ireland Hospice	**28,241**	28,389
OneSight EssilorLuxottica Foundation	**42,071**	-
Papyrus Prevention of Young Suicide	**5,000**	12,019
Poundland Foundation	**1,050,098**	133,422
Prevent Breast Cancer	**14,410**	-
Prostate Cancer UK	**50,322**	26,845
Rays of Sunshine	**60,000**	25,000
Royal Marines Association - The Royal Marines Charity	**-**	30,062
Royal Society of Wildlife Trusts	**1,357**	35,813
Save the Children Fund	**71,580**	73,303
Scottish Mountain Rescue	**-**	7,165
Shelter	**28,593**	-
Spadework	**5,374**	726
Special Olympics GB	**53,589**	176,415
Spread a Smile	**15,146**	21,893
Target Ovarian Cancer	**30,771**	-
Teenage Cancer Trust	**681,703**	665,838
Teens Unite Fighting Cancer	**-**	11,465
The Adnams Community Trust	**4,791**	6,750
The Alder Hey Children's Charity	**66,864**	86,327
The Brain Tumour Charity	**35,763**	-
The Childhood Trust	**541**	12,507
The Children's Hospital Charity	**13,095**	18,157
The English Heritage Trust	**49,428**	17,679
The Guide Dogs for the Blind Association	**9,439**	2,600
The JD Foundation	**542,201**	317,278
The National Society for the Prevention of Cruelty to Children	**5,049**	125,522
The National Trust	**-**	24,965
The Prince's Trust	**15,407**	61,782
The Ramblers' Association	**38,166**	-
The Royal Marsden Cancer Charity	**-**	59,075
The Screwfix Foundation	**624,793**	835,640
The Trussell Trust	**29,431**	1,937
Together for Short Lives	**94,404**	118,711
Twycross Zoo - East Midland Zoological Society Ltd	**4,148**	6,012
United Kingdom for UNHCR	**7,480**	28,711
Uttlesford Food Bank	**5,037**	-
Walking With The Wounded	**5,022**	1,562
Wallace & Gromit's Children's Foundation	**66,864**	86,239
Wilderness Foundation UK	**49,352**	61,530
Wolverhampton Wanderers Foundation	**684**	5,895
YHA England & Wales	**6,302**	2,371
Yorkshire Wildlife Park Foundation	**8,665**	-
Young Epilepsy	**53,945**	-
Young Lives vs Cancer	**33,581**	38,345
Movement in grants payable on accrued donations or donations received and awaiting a grant nomination as at the year end	**123,998**	84,496
Other grants equal to or less than £5,000	**390,912**	190,298
Total grants payable	**7,977,922**	6,257,984

The Trustees Report provides more information relating to the Charity's grant making policy.

Grants payable includes a commitment of £1,894,456 (2022: £1,639,867) for grants paid to charities after the year end.

4 Grant making (continued)

Of the income collected in the Republic of Ireland (see note 2), the following grants to charities were payable to institutions during the year:

	2023	2022
	£	£
Barretstown	**224,863**	27,384
My Canine Companion	**64,500**	40,407
Other grants equal to or less than £5,000	**529**	4,714
Total grants payable	**289,892**	72,505

Of the income collected in Jersey (see note 2), the following grants to charities were payable to institutions during the year:

	2023	2022
	£	£
Jersey Children's Charity	**6,729**	7,607
Macmillan Cancer Support Jersey	**21,664**	21,148
Other grants equal to or less than £5,000	**10,141**	8,404
Total grants payable	**38,534**	37,159

Grants payable from income collected in the Isle of Man is disclosed in note 19 to the financial statements.

5 Net (expenditure) / income for the year

This is stated after charging:

	2023	2022
	£	£
Depreciation of tangible fixed assets	**18,335**	17,504
Amortisation of intangible fixed assets	**43,653**	39,702
Operating lease rentals:		
Property	**41,010**	39,716
Other	**300**	798
Auditors' remuneration (including VAT):		
Audit fees	**34,268**	31,740

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023	2022
	£	£
Salaries and wages	**854,239**	786,572
Social security costs	**87,267**	86,720
Employer's contribution to defined contribution pension schemes	**79,323**	53,494
Staff Recruitment costs	**7,349**	12,512
Other staff costs	**3,097**	4,418
	1,031,275	943,716

The following number of employees received employee benefits of over £60,000 (excluding employer pension costs) during the year in the following ranges:

	2023	2022
	No.	No.
£60,001 - £70,000	**1**	1
£70,001 - £80,000	**1**	2
£80,001 - £90,000	**-**	1
£90,001 - £100,000	**1**	-

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

The total employee benefits of the key management personnel were as follows:

	2023 £	2022 £
Salaries and wages	**225,488**	201,854
Social security costs	**26,283**	25,400
Employer's contribution to defined contribution pension schemes	**55,151**	41,321
	306,922	268,575

The Charity trustees were neither paid nor received any other benefits from the Charity in the year (2022: £nil). No Charity trustee received payment for professional or other services supplied to the Charity (2022: £nil).

The Charity trustees were neither paid nor received any expenses from the Charity in the year (2022: £nil). During the year and, up to the date of approval of the Trustees' report, there was a qualifying third-party indemnity in place for directors, as allowed by Section 234 of the Companies Act 2006.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 18 (2022: 17).

Staff are split across the activities of the charitable company as follows (full time equivalent basis):

	2023 No.	2022 No.
Charitable Activities	**13**	12
Support & Governance	**5**	5
	18	17

8 Related party transactions

Alison Hutchinson, the CEO of the Charity, is a non-executive director of the retailer DFS Furniture plc which owns Sofology Limited. During the year Sofology Limited supported the Charity by enabling Pennies in its stores collecting £53,883 (2022: £63,839) for UK charities. At the end of the year Sofology Limited owed the Charity £299 (2022: £6,567) for donations collected on its behalf.

Robert Leitão, a trustee, is a managing partner at Rothschild & Co. During the year the Charity paid Rothschild & Co £16,094 (2022: £9,286) for hosting the Charity's annual event for over 200 people and providing audio and video production facilities. In addition Rothschild & Co supported the Charity by providing the function room for the annual event, and occasional meeting rooms during the year, valued in total at £2,982 (2022: £3,581) on a pro bono basis.

Julian Taylor, a trustee, is a partner in the law firm of Simmons and Simmons which supported the Charity by providing legal advice valued at £17,980 (2022: £nil) on a pro bono basis.

Penny Lovell, a trustee, is a trustee of Prism The Gift Fund (charity registration 1099682). In 2023 the Charity granted £50,781 (2022: £16,063) to Prism The Gift Fund.

There was no bad or doubtful debts provision or expense from related parties.

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Intangible fixed assets

	Under construction £	Systems software £	Other computer software £	**Total £**
Cost				
At the start of the year	25,260	81,567	179,040	**285,867**
Transfers	(25,260)	25,260	-	**-**
Additions in year	12,449	14,835	53,304	**80,588**
At the end of the year	12,449	121,662	232,344	**366,455**
Amortisation				
At the start of the year	-	34,518	163,152	**197,670**
Charge for the year	-	27,168	16,485	**43,653**
At the end of the year	-	61,686	179,637	**241,323**
Net book value				
At the end of the year	12,449	59,976	52,707	**125,132**
At the start of the year	25,260	47,048	15,889	88,197

All of the above assets are used for charitable purposes.

Capital commitments as at 31 December 2023 totalled £4,950 (2022: £14,850)

11 Tangible fixed assets

	Leasehold Improvements £	Office Furniture £	Office & Computer equipment £	**Total £**
Cost				
At the start of the year	82,822	26,537	30,688	**140,047**
Additions in year	-	-	6,639	**6,639**
Disposals in year	-	-	(15,917)	**(15,917)**
At the end of the year	82,822	26,537	21,410	**130,769**
Depreciation				
At the start of the year	38,711	12,347	25,290	**76,348**
Charge for the year	10,804	3,461	4,071	**18,336**
Accumulated depreciation on disposals in year	-	-	(15,917)	**(15,917)**
At the end of the year	49,515	15,808	13,444	**78,767**
Net book value				
At the end of the year	33,308	10,729	7,966	**52,002**
At the start of the year	44,111	14,190	5,398	63,699

All of the above assets are used for charitable purposes.

Both the amortisation and depreciation charge for the year are included in unrestricted expenditure on charitable activities in the Statement of Financial Activities

12. Investments

The Charity owns 100% of the issued shared capital of Your Penny Limited, a private limited company registered in England and Wales (registered number 6880306), being £1 share. The investment is valued at £1 (2022: £1) being £1 for the share capital. This is equal to the value of Your Penny Limited's reserves of £1. Your Penny Limited is a dormant company.

13. Financial and other commitments

At 31 December 2023 the Charity had total commitments under non-cancellable operating leases as detailed below:

	Property		Equipment	
	2023	2022	**2023**	2022
	£	£	**£**	£
Less than one year	**46,420**	73,868	**600**	600
One to five years	**205,686**	301,628	**650**	1,250
	252,106	375,496	**1,250**	1,850

In 2019, the Charity entered a lease for office premises commencing on 24 May 2019 and expiring on 31 January 2027. In 2022 the office premises were sold and the new landlord has elected to charge VAT on the rent with effect from April 2022.

14. Debtors

	2023	2022
	£	£
Donation debtors	**831,484**	789,243
Accrued income	**150,234**	132,952
Prepayments	**36,872**	54,293
Rent deposit	**24,937**	24,937
	1,043,527	1,001,425

Other debtors represent Pennies donations collected and invoiced but not yet paid to the Charity at the year end.

Accrued income represents Pennies donations collected but not yet invoiced at the year end. Included in Accrued Income is £nil (2022: £100,000) which represents a grant pledged in a prior year that was paid in 2023.

The rent deposit relates to the Charity's lease on office premises entered into in 2019, which will be held for more than one year.

15. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	**16,661**	59,709
Amounts due to subsidiary	**1**	1
Taxation and social security	**24,450**	26,532
Grant accruals	**1,894,456**	1,639,867
Other accruals	**79,748**	116,634
	2,015,316	1,842,743

16a Analysis of net assets between funds (current year)

	General unrestricted £	Restricted £	Total funds £
Intangible fixed assets	125,132	-	**125,132**
Tangible fixed assets	52,002	-	**52,002**
Investments	1	-	**1**
Net current assets	1,220,821	-	**1,220,821**
Net assets at 31 December 2023	**1,397,956**	**-**	**1,397,956**

16b Analysis of net assets between funds (prior year)

	General unrestricted £	Restricted £	Total funds £
Intangible fixed assets	88,197	-	**88,197**
Tangible fixed assets	63,699	-	**63,699**
Investments	1	-	**1**
Net Current assets	1,235,860	-	**1,235,860**
Net assets at 31 December 2022	**1,387,757**	**-**	**1,387,757**

17a Movements in funds (current year)

	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers in/(out) £	At 31 December 2023 £
Restricted funds:					
Pennies donations	-	7,977,922	(7,977,922)	-	-
Other restricted fund	-	30,000	(30,000)	-	-
Total restricted funds	-	8,007,922	(8,007,922)	-	-
General funds	1,387,757	1,378,909	(1,368,710)	-	**1,397,956**
Total unrestricted funds	1,387,757	1,378,909	(1,368,710)	-	**1,397,956**
Total funds	1,387,757	9,386,831	(9,376,632)	-	**1,397,956**

Purposes of restricted funds

Pennies Donations

The Pennies Donations restricted fund represents the proportion of Pennies donations which the trustees have agreed to grant to UK, Republic of Ireland, Isle of Man, or Jersey registered charities which have been nominated by retailers which offer their customers the opportunity to donate via the digital charity box. The proportion and the nominated charity are named at the point of donation. The movement in this fund is disclosed in note 4 to the financial statements.

Other restricted fund

The other restricted fund represents a donation in support of the Pennies annual event which was held in November 2023.

17b Movements in funds (prior year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers in/(out) £	At 31 December 2022 £
Restricted funds:					
Pennies donations	-	6,257,984	(6,257,984)	-	-
CRM system fund	45,944	-	-	(45,944)	-
Other restricted fund	-	30,000	(30,000)	-	
Total restricted funds	45,944	6,287,984	(6,287,984)	(45,944)	-
General funds	1,465,416	1,146,524	(1,270,127)	45,944	**1,387,757**
Total unrestricted funds	1,465,416	1,146,524	(1,270,127)	45,944	**1,387,757**
Total funds	1,511,360	7,434,508	(7,558,111)	-	**1,387,757**

18. Reconciliation of net (expenditure) to net cash flow from operating activities

	2023 £	2022 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	**10,198**	(123,603)
Depreciation charges	**61,988**	57,206
Interest from investments	**(16,783)**	(2,233)
Decrease/(Increase) in debtors	**(42,102)**	71,626
Decrease in creditors	**172,573**	228,028
Net cash provided by/(used in) operating activities	**185,874**	231,024

19. Isle of Man Activities

During the year, the Charity collected the following income from donations in the Isle of Man:

	Unrestricted £	Restricted £	**2023 Total £**	2022 Total £
Voluntary Income				
Consumer donations to Pennies ("Pennies donations")	1,081	12,319	**13,400**	8,673

During the year, the Charity incurred the following expenditure in the Isle of Man:

	Direct Charitable Activities £	Governance costs £	**2023 Total £**	2022 Total £
Grants payable (see analysis below)	12,319	-	**12,319**	7,429
Governance costs	-	4,657	**4,657**	1,244
	12,319	4,657	16,976	8,673
Total expenditure 2023	**12,319**	**4,657**	**16,976**	**8,673**
Total expenditure 2022	**7,429**	**1,244**	**8,673**	

Of the total expenditure, £4,657 was unrestricted (2022: £1,244) and £12,319 was restricted (2022: £7,429).

19. Isle of Man Activities (continued)

Analysis of grants payable

Of the income collected in the Isle of Man, the following grants to charities were payable to institutions during the year:

	2023	2022
	£	£
Isle of Play	**4,456**	5,772
Macmillan Cancer Support	**1**	3
Poundland Foundation	**6,010**	739
Teenage Cancer Trust	**583**	1,657
The JD Foundation	**1,184**	-
Young Lives vs Cancer	**85**	137
Total grants payable	**12,319**	**8,308**

Grants payable includes a commitment of £1,374 (2022: £2,295) for grants paid to charities in the Isle of Man after the year end.

20. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

THE PENNIES FOUNDATION

England & Wales - Charity number 1122489

Accounts

Pennies!

Annual Report & Financial Statements

2022

Because micro-donations matter.

Pennies

The impact of micro-donations

In 2022, someone made a donation with Pennies every second.

Every day

customers of a leading technology retailer donate enough for the Digital Poverty Alliance to provide 2 families in need with a laptop, improving access to essential education, finance and healthcare resources.

In March 2022

a week of donations from customers of a leading pizza delivery brand raised enough for the Disasters Emergency Committee to fund emergency food for 315 families, affected by the conflict in Ukraine, for an entire month.

In 2022, Pennies grew donations by 16%, raising £6.8 million for charity.

Each month

approximately 2.3 million consumers donate through Pennies - the equivalent to the population of West Yorkshire.

Two hours

of micro-donations made by customers of a leading hotel and restaurant brand could cover the cost of a night's stay in GOSH's family accommodation, so parents can stay close by while their child is in hospital.

The Pennies Foundation

Annual report and financial statements

for the year ended
31 December 2022

Registered in England and Wales charity number: 1122489
Registered in the Republic of Ireland charity number: 20106331
Registered in the Isle of Man charity number: 1275
Company number: 6418982
Registered office
1st Floor
64 London Wall
London, EC2M 5TP

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Legal and Administrative Information

Registered Charity Numbers:		
England and Wales	1122489	
Republic of Ireland	20106331	
Isle of Man	1275	
Company Registration Numbers:		
England and Wales	06418982	
Isle of Man	006181F	
Governing Instrument	Articles of Association	(Amended 12 August 2019)
Trustees	Robert Leitão	Chair
	Peter Ayliffe	Audit Committee member
	Graham Edwards	Audit Committee Chair
	Ian Filby	Resigned 4 April 2023
	Penny Lovell	
	Julian Taylor	Audit Committee member
	Leigh Thomas	
	Angela Luger	Appointed 12 December 2022
Chief Executive	Alison Hutchinson CBE	
Registered Office and Business Address	First Floor 64 London Wall London EC2M 5TP	
Bankers	HSBC Bank plc 94 Kensington High Street London W8 4SH	
Auditors	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB	
Solicitors	Simmons & Simmons LLP Citypoint One Ropemaker Street London EC2Y 9SS	
Website	www.pennies.org.uk	

The Report of the Trustees

The trustees are pleased to present their annual directors' report together with the financial statements of The Pennies Foundation (working name "Pennies") for the year ending 31 December 2022, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Our values

- **We care to our core**
- **We inspire people to take action**
- **We make things happen**
- **We adapt as needed**

Vision, objects of the Charity and public benefit

Vision

Our vision is that wherever consumers use a card or digital payment capability to pay for goods and services, whether in shops, online, mobile or self-checkout, they are given the opportunity to donate a few pennies to charity. We want to make it easy and affordable for everyone to be able to give and together create a significant impact for the charitable sector.

Micro-donations have an opportunity to inject £1bn into the UK charity sector if every UK card holder gave just 35p a week.

Mission

We are a charity with a simple mission: to protect and grow micro-donations by leading the micro-donation movement in the UK.

Purpose

Our purpose is to make micro-donations easy in an increasingly cashless society.

Objects of the Charity

The Charity's objects are, for the benefit of the public:

1 The promotion of the voluntary sector in particular (but not exclusively) by encouraging and facilitating charitable giving, assisting in the application of funds for charitable purposes and monitoring the use of such funds by charitable organisations;
2 The promotion of the efficiency and effectiveness of charities and the effective use of charitable resources in particular (but not exclusively) by providing advice to charities and organisations seeking to maximise charitable giving, exchanging information with such charities and organisations and providing technology and infrastructure designed to make it easier to give to charity; and
3 Such other purposes that are exclusively charitable as the trustees from time to time think fit.

Strategies to Achieve Our Objectives

We are a prominent voice in the UK encouraging efficient, sustainable and innovative giving, ensuring charities continue to thrive and the public still have affordable ways to donate.

Pennies, our digital charity box, is an intuitive upgrade of the collection tin. Day to day we keep it running, implementing new retailers and technologies, collecting donations, and making grants to approved charities.

We work with the payments sector to introduce micro-donation opportunities to more channels, unlocking the functionality for the benefit of the charity sector.

We use our expertise to maximise the impact of each partnership, boosting donation levels and communicating the social impact of donations.

We have formed three Advisory Boards, being a Retail and Services Advisory Board, a Hospitality and Leisure Advisory Board, and a Payments Advisory Board. Although the Advisory Boards are not part of the Charity's formal governance structure, they provide valuable industry insight and recommendations that the trustees and management take into account in formulating and implementing their strategy.

Pennies is independent, enabling it to lead the micro-donation movement for the benefit of the charity sector, and we engage across all technologies, merchants and hospitality sectors and channels. We focus on the security and efficiency of the movement giving consumers an easy opportunity to support charities as they go about their daily lives.

Public Benefit, Environmental and Social Impact

The trustees confirm that, in carrying out their responsibilities and exercising their powers, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission for England and Wales.

As set out in this report, our charitable activities include implementing Pennies with our partners to give consumers the option to donate their "digital change" whenever they use cards or other digital payment methods to pay for goods and services. The sums collected are donated to us and we then make grants to approved registered charities. We do not collect or hold personal data relating to individual donors and our retail partners undertake not to contact them about their donations. We are focused on encouraging and facilitating charitable giving through micro-donations, thereby supporting the UK charitable sector.

The trustees consider that, as registered charities are required to demonstrate explicitly that their aims fulfil the requirements of public benefit, and as our activities are directed towards making grants to charities which are registered with at least one of the Charity Commission for England and Wales, the Office of the Scottish Charity Regulator, the Charity Commission for Northern Ireland, the Charities Regulatory Authority in the Republic of Ireland, the Association of Jersey Charities, or the Isle of Man Charities Central Registry, our activities are wholly for the public benefit.

In addition, we talk about our social impact on our website at https://pennies.org.uk/our-impact, to highlight the breadth of causes and charities benefitting from Pennies. We also carry out our own impact evaluation of the use of the funds by those charities and we regularly publish information on our website relating to the work of the charities that benefit.

As a significant proportion of Pennies' social value is created by the impact of the micro-donations we enable, we can deduce that significant additional social value will have been created through our work in 2022. In addition, by working with our partners to enable micro-donating we are helping them to fulfil their own social objectives to give back to the communities in which they operate.

The trustees consider that Pennies has a low environmental impact as a digital-only initiative that does not require the manufacture or transport of physical goods. In addition, we occupy a single office location easily accessible by public transport, which was refurbished in 2019 with the latest energy-efficient heating and lighting. In 2022 we have continued with the hybrid working pattern introduced in 2021, which means that fewer days are worked in the office, thereby saving a significant portion of staff travel time and the impact that has on the environment.

Structure, Governance and Management

The Charity is a private company limited by guarantee, registered in England and Wales (number 06418982) and is a charity registered with the Charity Commission for England and Wales (number 1122489), with the Charities Regulatory Authority in the Republic of Ireland (number 20106331), and is registered with the Jersey Financial Services Commission as required by The Non-Profit Organisations (Jersey) Law 2008 (the "NPO Law"), and with the Isle of Man Charities Central Registry (number 1275).

The working name for the Charity is "Pennies". The Charity's governing document is the Articles of Association adopted on 6 November 2007 and amended on 12 August 2019 (the Constitution).

Trustees consider the principles set out in the Charity Governance Code, refreshed at the end of 2020, when carrying out their duties. During the year we prepared an evaluation of how the Charity apply the Code's principles and recommended practices. The evaluation showed that many of the Code's recommended good practices are applied. We will continue to use the code as a tool to support continuous improvement as the Charity develops, and to focus on the areas of the evaluation identifying where improvement and further implementation can occur.

The liability of the members is limited, and each member agrees to contribute up to £10 in the event of the Charity being wound up. The trustees are the only members of the Charity and they automatically become members on appointment to the Board of Trustees (Board).

The Charity has a wholly owned subsidiary, Your Penny Limited, which is a private limited company registered in England and Wales (registered number 6880306). Your Penny Limited is a dormant company.

The Charity is registered with the Fundraising Regulator and has committed to follow the Code of Fundraising Practice and the Fundraising Promise. In 2022 we received a total of 3 complaints (2021: 4 complaints) which is extremely low in the context of our total number of donations for the year which was 28 million (2021: 23.6 million). We responded to, and resolved, each of these with the complainants. Pennies is a pressure-free way to donate to charity prompted by technology, without the need for a person to make the ask, allowing the consumer to confidentially choose to donate anonymously, as no personal data is asked for or collected.

Trustees

The Constitution requires at least three trustees but there is no maximum number. As set out in the Constitution the trustees have the power at any time to appoint any person who is able and willing to be a trustee. Trustees are appointed for an initial term of three years and may be reappointed by the trustees for further terms of three years. In the event that a Trustee has served in office for three consecutive terms of three years, such Trustee may be reappointed by the Trustees for further terms of three years after the end of their third term in office if 75% of the Trustees resolve that they are reappointed, taking account of the Trustee's contribution to the Board as a whole. This flexibility is of great value to the Charity in its still relatively early years, and in a period of anticipated rapid growth and continual development, having a consistency of key board members is very welcome.

During the year, Robert Leitão, Graham Edwards, Penny Lovell and Julian Taylor reached the end of their 3 year term in office, and as the conditions were deemed to be met, were all reappointed for a further 3 year term. During the year, Leigh Thomas reached the end of her first term in office and was reappointed for a further 3 year term.

On 12 December we were delighted to welcome a new trustee to the Board, Angela Luger, who previously served as Chair of our Retail and Services Advisory Board and brings a wealth of retail industry experience and knowledge to the role.

When recruiting new trustees, we aim to attract a breadth of skills and diversity commensurate with our stage of development as a growing charity. Board appointments are based on merit and whether a candidate has the skills and knowledge to be an effective trustee and has the ability to support the ambitious donation growth targets set by the Board of Trustees over the short to medium term.

Prior to appointment, trustees receive a comprehensive induction pack which includes the Constitution, background on Pennies and its aims, our *Code of Conduct for Trustees* and *Conflict of Interest Policy* and information about their role and responsibilities. Both new and existing trustees have the opportunity to meet regularly with the Chief Executive, the senior management team and other members of staff, and when required further training is arranged for a trustee as an individual or for the Board as a whole.

The following either served as trustees during the financial year or were trustees at the date of this report:

Robert Leitão	Chair
Peter Ayliffe	Audit Committee member
Graham Edwards	Audit Committee Chair
Ian Filby	Resigned 4 April 2023
Penny Lovell	
Julian Taylor	Audit Committee member
Leigh Thomas	
Angela Luger	Appointed 12 December 2022

The trustees, who are collectively responsible for our governance, for ensuring delivery of our charitable objectives and for setting our strategic direction, met four times during the year. At each meeting the trustees received a governance update and debated the implications for the Charity.

The Board has delegated responsibility to the Audit Committee to monitor the financial performance, financial reporting, and external audit arrangements of Pennies. The Audit Committee met twice during the year.

The Audit Committee has delegated responsibility on behalf of the Board for:

- reviewing the financial statements and the application of appropriate accounting policies; and
- providing oversight of the external audit process by monitoring and reviewing its effectiveness, independence and objectivity.

Matters which are reserved to the Board include appointing the Chief Executive, agreeing our strategy, plans and budget, appointing external auditors and approving key policies such as the risk management and investment policies.

Management and staff

Responsibility for the day-to-day management of Pennies is delegated to the Chief Executive, Alison Hutchinson CBE, within the strategic and accountability frameworks established by the trustees and she is supported by a small team including a number of volunteers.

We support the principles of equality, diversity and inclusion in the Charity Governance Code and take these into account when recruiting trustees, management and staff, balanced with our specific needs as a growing and changing charity. We are actively looking for diversity of input to better inform the decisions of the board. In terms of gender diversity, as well as having a female CEO, and with Angela Luger joining as a trustee, 37.5% (2021: 29%) of our trustees are women. Over time, as we become more established, we expect to see a continuous improvement in the wider areas of equality, diversity and inclusion.

We have adapted a hybrid working policy of some days in the office and some working from home, which has been welcomed by our staff, and has assisted with recruitment by increasing the attractiveness of working with us and broadening the availability of experienced staff candidates.

Pay policy for senior staff

The trustees consider that the Board and the senior management team comprise the key management personnel of Pennies responsible for directing, controlling and running it on a day-to-day basis.

All trustees give their time freely and no trustee received remuneration in the year.

Senior staff pay is reviewed annually. Wherever possible, we benchmark salaries paid for comparable roles in the charitable sector adjusting for any additional responsibilities.

Pensions and other benefits

We have a workplace pension scheme and make the minimum statutory contributions for all enrolled employees. Also 1 employee (2021: 1) has employer pension contributions paid by us as part of a salary sacrifice scheme.

There were no additional benefits provided to staff in the year.

Risk Management

The Board recognises its responsibilities for ensuring that an appropriate framework is in place to identify, monitor and mitigate risks to our objectives and has accordingly adopted a Risk Management Policy. The risk management register is reviewed at least annually by the Board and any issues which could impact the Charity are raised and discussed by the Trustees at meetings during the year. The register identifies the major risks to which Pennies is exposed together with the actions and systems in place to mitigate or reduce the exposure to those risks.

The review carried out in 2022 identified that the key risks are:

1) Cost of living crisis and a subsequent UK recession - amid an unprecedented squeeze on household incomes, there is the potential for a downturn in consumer donations and/or the failure of a Pennies merchant during the year. We manage this by focusing on increasing donation conversions across existing merchants as well as recruiting new merchants from a strong pipeline of prospects.

2) Not securing sufficient funding until the Charity reaches self-sustainability. This is managed through the plan to identify and obtain funding for core costs, which is reviewed regularly by the trustees alongside regular monitoring of the Charity's holding of unrestricted reserves.

3) Key person dependency - principally the unplanned exit or long-term absence of key members of the Pennies team who possess business-critical abilities and knowledge. This is managed by maintaining an attractive remuneration and flexible working policy, commensurate with Pennies' size and sector, sharing knowledge across the team, ensuring adequate notice periods are in place in employee contracts and the implementation of systems to centralise and store key contact data.

4) Reliance on third party technology companies - namely those who have agreed to enable Pennies as a feature of their own product offering. This is managed by maintaining close relationships with these technology companies, with input provided by members of the Advisory Boards who are senior industry figures. Also, by developing our own Pennies products which our partners can utilise rather than having to develop themselves. A good example of this is our ecommerce cartridges now available for several major ecommerce platforms.

Internal Controls

The trustees have overall responsibility for ensuring that we have in place appropriate financial and other systems and controls to provide assurance that we:

- operate efficiently and effectively;
- safeguard our assets against unauthorised use;
- maintain accurate financial and other records; and
- comply with relevant laws.

The systems of financial control are designed to provide a reasonable but not absolute level of effectiveness and include:

- an operational plan and annual budget;
- annual review of the risk management register;
- regular monitoring of actual results against budgets and forecasts; and
- delegation of authority to the Chief Executive for expenditure within the agreed budgets.

During the year the trustees met 4 times to review our progress and, where required, approve the following:

- reports from the executive team on progress against plans;
- an annual budget and a number of reforecasts during the year;
- the top-down risk profile for the charity; and
- regular management accounts highlighting any variances from budget or reforecast.

Financial Review

Since launching in 2010 up to the end of 2022, consumer donations to Pennies have grown substantially, having raised a total of £40.1m from over 160m consumer micro donations, from which we have made grants totalling £37.2m to more than 800 charities across a breadth of causes, and retained £2.9m for our own charitable purposes.

The Statement of Financial Activities on page 17 shows total incoming resources of £7,434,508 (2021: £6,474,839) which is analysed in note 2 to the financial statements. This represents an increase of 14.8% compared to the previous year.

In 2022 income from Pennies donations increased to £6,844,205 (2021: £5,889,714), which represents an increase of 16.2% compared to the previous year. Income from Corporates, Foundations and Other Donations was relatively stable at £551,159 (2021: £570,500), the details of which can be found in note 2 to the financial statements.

We are extremely grateful for the generous donations from individuals, companies and charitable foundations that support our movement and provide funding for our core costs. Over time, as Pennies grows, we aim to become self-sufficient from the small percentage of retained Pennies donations.

The Statement of Financial Activities shows total resources expended of £7,558,111 (2021: £6,536,787) which is analysed in note 3 to the financial statements. This represents an increase of 15.6% compared to last year largely due to an increase in grants payable. Of the resources expended, £7,216,251 (2021: £6,265,681) was spent directly on charitable activities, the majority in the form of grants to other charities, £247,472 (2021: £203,490) was spent supporting charitable activities, and £94,388 (2021: £67,616) was spent on governance.

At the balance sheet date, we held funds of £1,387,757 (2021: £1,511,360), of which £nil (2021: £45,944) is restricted and £1,387,757 (2021: £1,465,416) is unrestricted and available for general use.

All funds not held as tangible or intangible assets, as an investment in the dormant subsidiary Your Penny Limited, or as a debtor or creditor, are held as cash at our bankers (HSBC) either in a current account or in an interest-bearing deposit account with instant withdrawal.

Investment Policy

Our investment policy is to retain funds in a liquid form to facilitate meeting the costs incurred in the furtherance of our objectives and to enable us to make timely grant payments to nominated and approved charities. Our funds are therefore either held in a current account or in liquid interest-bearing bank deposit accounts with our bankers, HSBC. The trustees keep the policy under review to ensure it remains appropriate in light of the expected growth of our income in the short to medium term.

Reserves Policy and Going Concern

The trustees are aware of the requirement for charities to manage the level of reserves that they hold and to adopt a policy which determines the level of reserves which they believe would be appropriate to maintain.

Our aim is to maintain a general reserve of unrestricted funds equal to at least one year's operational expenditure from the date of the balance sheet, and this is forecast to be in the region of £1.4m to £1.6m. At the end of the year the balance of unrestricted funds held was £1.4m, within the target level. It is expected that the balance will be maintained within target level during 2023 and beyond.

The trustees have considered the current level of reserves, and the evident sustainability of the Pennies model, and have reviewed available liquid resources in the context of the operating and spending plans over the next 18-month period, together with the ability to raise further funds or curtail spending if required. Based on these considerations, the trustees believe that we have sufficient financial resources to continue in operational existence for the foreseeable future and that we are well placed to manage our operating risks successfully.

The trustees have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements. There is no material uncertainty about our ability to continue as a going concern.

Grant Making Policy

The Board has full responsibility for the distribution of all funds under its management.

Recognising the important role of merchants and payment service providers in enabling us to raise money and make grant payments to other charities, the trustees invite them to nominate charities to benefit from a major proportion of the funds they raise provided that the nominees comply with our overall criteria and on-going requirements. These include complying with applicable legislation at all times and the provision of impact information in respect of the grants.

All grants made by us are to charities registered with the Charity Commission for England and Wales or the equivalent in Scotland, Northern Ireland, the Republic of Ireland, Jersey, or the Isle of Man. The aims of the charities must fall within, or be analogous to, the descriptions of charitable purposes as set out in the Charities Act 2011 and they must be able to demonstrate public benefit as defined by the Charity Commission of England and Wales.

Funding is not available to individuals or unregistered bodies and we will not support charities having the principal objective of the advancement of religion or political activism.

Charities delivering a wide range of services across a breadth of causes were supported during the year. Our website (www.pennies.org.uk) has information about the charities that we have supported and continues to support. Note 4 to the accounts also gives details of all charities that received a grant in excess of £5,000 during the year or previous year.

We require all the benefitting charities to provide representative information about how grants are used and the difference they make to their beneficiaries. The information is published on our website and also regularly disseminated using social and other media.

Achievement and Performance

Good progress was made in the following areas during the year:

- We raised £6.8m from 28m donations which represents an increase of 16.2% in value, and 18.6% in volume, over 2021 and is our best year to date.
- We supported 152 charities bringing the total since launch to over 800.
- We launched Pennies with 25 new merchants in 2022, which is a new record.
- We went live with our first micro-donation solution for recurring payments such as subscription type services.
- We launched Pennies ecommerce 'plug and play' cartridge solutions for Magento and Salesforce Commerce Cloud platforms, and we will shortly have a solution for the Shopify platform.
- We welcomed Angela Luger onto our trustee board. Angela has a wealth of experince from a long career in consumer facing businesses.
- We launched our new website www.pennies.org.uk, which details all the organisations where Pennies is currently available.

Strategy and plans for future periods

In the current challenging economic times, we will continue to support our partners and respond to inevitable changes across retail, hospitality, and payments. A key area of focus in 2023 will be to work with our existing merchant partners to increase the number and frequency of their customers donating to Pennies.

We will work to implement the Pennies donation option with new merchants, in more sectors and in more channels, with a particular focus on e-commerce, given the availability of our cartridges which make it very easy for an e-commerce merchant to implement Pennies.

We will also be looking to develop more recurring payment solutions in 2023 and beyond. Overall our aim is to grow Pennies micro-donations significantly over the next 1-3 years as more and more merchants express a desire to join what we have termed the 'Pennies movement', a movement that has a simple vision: wherever consumers use a card or digital payment capability to pay for goods and services, whether in shops, online, mobile or self-checkout, they are given the opportunity to donate a few pennies to charity.

Over the longer term we are aiming to fully cover our core costs from a small percentage of the Pennies donations. In the meantime, we will continue to seek funding for core costs from foundations, individuals and other organisations until we reach that point.

The trustees are very grateful to the trusts, foundations, companies and individuals who have given so generously this year, and in previous years, to support Pennies. In particular, the trustees would like to thank our volunteers who support the day-to-day activities of the Charity and the members of our advisory boards who also give their time voluntarily to bring their industry experience to bear in supporting the development of our strategy and the pursuit of our objectives.

Related Parties

Related Party transactions are disclosed in Note 8 to the financial statements.

Statement of Trustees' Responsibilities

The trustees (who are also directors of The Pennies 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions relating to small companies set out in Statutory Instrument 2008/409 under the Companies Act 2006.

Signed on behalf of the Board of Trustees

Robert Leitão
Chair

4 April 2023

Independent auditor's report to the Members of The Pennies Foundation

Opinion

We have audited the financial statements of The Pennies Foundation (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which 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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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 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 exemption from the requirement to prepare a Strategic Report or in preparing Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 12 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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting non-routine correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Fundraising Regulations and the Code of Fundraising Practice. We performed audit procedures to inquire of management whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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

Use of our report

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

RSM UK Audit LLP

HANNAH CATCHPOOL (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
Date 12 May 2023

The Pennies Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ending 31 December 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from:							
Donations	2	1,144,291	6,287,984	**7,432,275**	1,028,574	5,446,102	6,474,676
Investments	2	2,233	-	**2,233**	163	-	163
Total income		1,146,524	6,287,984	**7,434,508**	1,028,737	5,446,102	6,474,839
Expenditure on:							
Charitable activities	3	1,270,127	6,287,984	**7,558,111**	1,090,685	5,446,102	6,536,787
Total expenditure		1,270,127	6,287,984	**7,558,111**	1,090,685	5,446,102	6,536,787
Net (expenditure) for the year	5	(123,603)	-	**(123,603)**	(61,949)	-	(61,949)
Transfers between funds		45,944	(45,944)	**-**	11,588	(11,588)	-
Net movement in funds		(77,659)	(45,944)	**(123,603)**	(50,361)	(11,588)	(61,949)
Reconciliation of funds:							
Total funds brought forward	17a	1,465,416	45,944	**1,511,360**	1,515,776	57,532	1,573,308
Total funds carried forward		1,387,757	-	**1,387,757**	1,465,416	45,944	1,511,360

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17a to the financial statements.

The Pennies Foundation

Company number 6418982

Balance sheet as at 31 December 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Intangible assets	10		**88,197**		96,950
Tangible assets	11		**63,699**		77,378
Investments	12		**1**		1
			151,897		174,329
Current assets:					
Debtors	14	**1,001,425**		1,073,051	
Cash at bank and in hand		**2,077,178**		1,878,695	
		3,078,603		2,951,746	
Liabilities:					
Creditors: amounts falling due within one year	15	**(1,842,743)**		(1,614,716)	
Net current assets			**1,235,860**		1,337,030
Total assets less current liabilities			**1,387,757**		1,511,360
Total net assets			**1,387,757**		1,511,360
The funds of the charity:					
Restricted income funds	16		**-**		45,944
Unrestricted income funds:					
General funds		**1,387,757**		1,465,416	
Total unrestricted funds			**1,387,757**		1,465,416
Total charity funds			**1,387,757**		1,511,360

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the trustees and authorised for issue on 4th April 2023 and signed on their behalf by

Robert Leitão
Chair

Graham Edwards
Audit Committee Chair

The Pennies Foundation
Statement of Cash Flows
for the year ending 31 December 2022

	Note	£	2022 £	£	2021 £
Cash flows from operating activities	18		231,024		(265,229)
Cash flows from investing activities:					
Interest income		2,233		163	
Purchase of intangible fixed assets		(30,949)		(9,951)	
Purchase of tangible fixed assets		(3,825)		(1,948)	
Net cash (used in) investing activities			(32,541)		(11,736)
Change in cash and cash equivalents in the year			198,483		(276,965)
Cash and cash equivalents at the beginning of the year			1,878,695		2,155,659
Cash and cash equivalents at the end of the year			2,077,178		1,878,695

Notes to the financial statements for the year ending 31 December 2022

1 Accounting policies

a) Statutory information

The Pennies Foundation is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is First Floor, 64 London Wall, London, EC2M 5TP

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The Charity has a wholly owned subsidiary, Your Penny Limited, which has not traded since incorporation in 2009 and therefore consolidated accounts have not been prepared on the basis of materiality.

The Charity is a company limited by guarantee. The trustees are also members of the company, a register of which is held at the Charity's business address. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

The financial statements are presented in GBP pounds sterling (£), which is the functional currency of the Charity, and all values are rounded to the nearest £, except where indicated.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees have considered the current level of reserves, and the evident sustainability of the Pennies model as demonstrated by the resilience in donation levels in 2022, and have reviewed available liquid resources in the context of the operating and spending plans over the 18 month period to June 2024, together with the ability to raise further funds or curtail spending if required.

Based on these considerations, the trustees believe that we have sufficient financial resources to continue in operational existence for the foreseeable future and that we are well placed to manage our operating risks successfully. The trustees have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Donation and grant income

Donation income is included in the Statement of Financial Activities when the Charity becomes entitled to the resources, the receipt is probable, and the donation is measurable. Gift aid is included based on amounts recoverable at the accounting date.

Grant income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised but the trustees' annual report has more information about their contribution on page 8.

Donated gifts, professional services and donated facilities are recognised upon receipt on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Notes to the financial statements for the year ending 31 December 2022

1 Accounting policies (continued)

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Unrestricted funds are donations and other incoming resources which are available for use at the discretion of the trustees in furtherance of the general objects of the Charity and which have not been designated for a specific purpose.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the costs of encouraging and facilitating charitable giving using technology supporting microgiving at the point of sale with retail partners, undertaken to further the purposes of the Charity and its associated support and governance costs.

The Charity does not make VAT related supplies and is unable to recover VAT. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Grants payable

Grants payable are made to other charities in furtherance of the Charity's objects. Grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of each activity, comprising salary and overhead costs, is apportioned on the basis of estimated staff time of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the Charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Charity's activities.

l) Operating leases

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

m) Fixed assets

Both tangible and intangible assets with a cost in excess of £500 are capitalised. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Assets under construction are not depreciated and comprise expenditure on the purchase, creation or enhancement of tangible or intangible assets not brought into use at the Balance Sheet date. Transfers are made from assets under construction to the relevant category of asset when the asset is brought into use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Tangible assets	
Leasehold Improvements	Over the life of the lease
Office furniture	8 years
Computer and office equipment	3 years
Intangible assets	
Systems software	5 years
Other computer software	3 years

Notes to the financial statements for the year ending 31 December 2022

1 Accounting policies (continued)

n) Investments in subsidiaries
Investment in the Charity's subsidiary company, Your Penny Limited, is valued at cost less a provision for impairment. See note 12 for more information.

o) Debtors
Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income is recognised within debtors dependent on when it is anticipated that this is receivable.

p) Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Foreign Currencies
Foreign currency balances (Euros) have been translated at the rate of exchange ruling at the balance sheet date into sterling. Income and expenditure transactions incurred in foreign currency have been translated during the course of the period at the rate of exchange ruling at the time of the transaction.

r) Creditors and provisions
Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments
The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value and subsequently measured at their settlement value.

t) Employee Benefits - terminaton payments
Termination benefits are amounts payable as a result of a decision by the Charity to terminate an individual's employment before the normal retirement date, or an individual's decision to accept voluntary redundancy, and are accounted for on an accruals basis when the Charity is demonstrably committed to the termination of the employment of an individual or group of individuals. The termination benefits for the accounting period are treated as an expense and were £1,713 (2021: £nil).

u) Pensions
The Charity has a workplace pension money purchase scheme for employees operated by The People's Pension. Employees are automatically enrolled into this scheme unless they have exercised their right to opt out of scheme membership. Employees joining the scheme contract directly with The People's Pension. The Charity makes a contribution of 3% of salary (2021: 3%) and acts as an agent in collecting and paying over contributions. The contributions for the accounting period are treated as an expense and were £13,494 (2021: £11,118). There were no contributions owing at the year end (2021: £nil).

v) Judgements in applying accounting policies and key sources of estimation uncertainty
The trustees have reviewed the accounts and believe there to be no material judgements applied in or estimation uncertainty included in the financial statements.

Notes to the financial statements for the year ending 31 December 2022

2 Analysis of incoming resources

	Unrestricted £	Restricted £	**2022 Total £**	2021 Total £
Voluntary Income				
Consumer donations to Pennies ("Pennies donations")	586,221	6,257,984	**6,844,205**	5,889,714
Corporates and Foundations				
Oak Foundation	400,000	-	**400,000**	137,500
Pears Foundation	-	-	**-**	300,000
Other donations	121,159	30,000	**151,159**	133,000
Gift aid received	200	-	**200**	225
Donated services				
Marketing services	13,000	-	**13,000**	3,550
Other services	1,609	-	**1,609**	264
Computer software licences	22,102	-	**22,102**	10,423
	1,144,291	6,287,984	**7,432,275**	6,474,676
Investment Income				
Bank interest	2,233	-	**2,233**	163
	1,146,524	6,287,984	**7,434,508**	6,474,839

Pennies donations consist of micro donations made by members of the public via Pennies, the digital charity box.

The trustees have agreed to grant a proportion of Pennies donations to charities registered with the Charity Commission for England and Wales or the equivalent in Scotland, Northern Ireland, the Republic of Ireland, or the Isle of Man, that have been nominated by retailers which offer their customers the opportunity to donate via Pennies. This proportion of Pennies donations is treated as restricted income. All other Pennies donations are unrestricted.

During the year, the Charity collected £79,652 (2021: £36,902) of income from donations in the Republic of Ireland, £41,883 (2021: £33,234) of income from donations in Jersey, and £7,843 (2021: £8,207) from donations in the Isle of Man.

3 Analysis of expenditure

	Direct Charitable Activities £	Support Costs £	Governance costs £	**2022 Total £**	2021 Total £
Grants payable (note 4)	6,257,984	-	-	**6,257,984**	5,446,102
Staff costs (Note 6)	727,429	184,602	31,685	**943,716**	792,800
Office costs	152,682	39,159	6,732	**198,573**	172,030
Marketing	47,975	-	-	**47,975**	52,745
Auditors remuneration	-	-	31,740	**31,740**	26,028
Insurance	-	-	5,622	**5,622**	5,132
Legal fees	-	-	18,609	**18,609**	1,602
Consultancy fees	16,703	-	-	**16,703**	26,100
Volunteer expenses	478	-	-	**478**	12
Donated services & facilities	13,000	23,711	-	**36,711**	14,237
Total expenditure 2022	**7,216,251**	**247,472**	**94,388**	**7,558,111**	**6,536,787**
Total expenditure 2021	**6,265,681**	**203,490**	**67,616**	**6,536,787**	

Of the total expenditure, £1,270,127 was unrestricted (2021: £1,047,652) and £6,237,484 was restricted (2021: £5,446,102).

Expenditure on charitable activities includes costs of:
- facilitating micro-donation using the Pennies digital charity box when consumers pay for goods and services in store, on line and using mobile devices;
- administering the collection of Pennies donations and the disbursement to charities of Pennies grants; and
- promoting the micro donation movement for the charity sector as a whole and specifically publicising the social impact of the Pennies donations.

Notes to the financial statements for the year ending 31 December 2022

4 Grant making

The following grants to charities were payable to institutions during the year:

	2022	2021
	£	£
Action Against Hunger	**27,286**	20,085
Action Aid	**7,803**	-
Age UK	**123,773**	199,682
Alzheimer's Society	**145,669**	-
Barnardo's	**11,348**	6,241
Barretstown	**27,384**	34,335
BBC Children in Need	**-**	11,339
BEN Motor and Allied Trades Benevolent Fund	**5,858**	21,192
Birmingham Children's Hospital Charity	**86,461**	79,709
Bloodwise	**17,832**	-
Blue Cross	**29,931**	1,389
British Heart Foundation	**102,307**	93,444
British Paralympic Association	**7,539**	60,165
CATT's (Cancer Awareness for Teens and Twenties)	**6,391**	12,270
Children On The Edge	**35,623**	12,160
Children's Hospices Across Scotland	**3,185**	5,539
Choose Love (Prism the Gift Fund)	**16,063**	-
Clic Sargent Cancer Care for Children	**38,345**	56,883
Conservation International	**13,560**	-
Crisis UK	**12,346**	8,706
Dementia Adventure Trust	**1,295**	5,119
Disasters Emergency Committee	**362,845**	-
Fight for Peace International	**29,349**	-
Glasgow Children's Hospital Charity	**36,881**	29,048
Grace House North East	**5,053**	7,922
Great Ormond Street Hospital Children's Charity	**205,932**	248,337
Greenfingers Charity	**2,600**	6,008
Hendy Foundation	**14,688**	15,643
Home-Start UK	**5,863**	15,643
Hospice UK	**42,269**	30,550
icandance	**42,587**	-
Isle of Play	**5,772**	5,390
Jersey Children's Charity	**7,607**	8,181
Kent, Surrey and Sussex Air Ambulance	**2,363**	5,297
Kent Wildlife Trust	**8,282**	-
Learning Foundation	**163,832**	-
Leeds Cares	**19,309**	17,072
Macmillan Cancer Support	**804,317**	725,463
Macmillan Cancer Support Jersey	**21,148**	16,869
Maggie Keswick Jencks Cancer Caring	**64,022**	6,683
Make-A-Wish Foundation UK	**3**	32,302
Mental Health Foundation	**64,150**	77,289
MIND (National Association for Mental Health)	**67,991**	23,818
Moto in the Community	**92,057**	78,526
My Canine Companion	**40,407**	-
Newcastle upon Tyne Hospitals NHS Charity	**5,993**	7,449
NHS Charities Together	**5,272**	105,293
Noah's Ark Children's Hospital Charity	**15,532**	14,467
Northern Ireland Hospice	**28,389**	32,607
Papyrus Prevention of Young Suicide	**12,019**	16,081
Poundland Foundation	**133,422**	123,965
Sub total	**3,029,953**	2,278,161

Notes to the financial statements for the year ending 31 December 2022

carried forward from previous page	**3,029,953**	2,278,161
Prostate Cancer UK	**26,845**	-
Rays of Sunshine	**25,000**	-
Scottish Mountain Rescue	**7,165**	-
Shooting Star Chase	**-**	7,587
Special Olympics GB	**176,415**	67,209
Spread a Smile	**21,893**	67,209
Royal Marines Association - The Royal Marines Charity	**30,062**	-
Royal Society of Wildlife Trusts	**35,813**	-
Teenage Cancer Trust	**665,838**	866,288
Teens Unite Fighting Cancer	**11,465**	17,563
The Adnams Community Trust	**6,750**	23,793
The Alder Hey Children's Charity	**86,327**	79,709
The Childhood Trust	**12,507**	233
The Children's Hospital Charity	**18,157**	18,563
The English Heritage Trust	**17,679**	2,133
The JD Foundation	**317,278**	-
The National Society for the Prevention of Cruelty to Children	**125,522**	5,896
The National Trust	**24,965**	64,658
The National Trust for Scotland	**2,071**	8,100
The Prince's Trust	**61,782**	278,457
The Royal British Legion	**1,431**	10,919
The Royal Marsden Cancer Charity	**59,075**	-
The Save The Children Fund	**73,303**	-
The Screwfix Foundation	**835,640**	1,147,097
Together for Short Lives	**118,711**	31,147
Tommy's	**-**	32,298
Twycross Zoo - East Midland Zoological Society Ltd	**6,012**	6,791
United Kingdom for UNHCR	**28,711**	-
Veterans Garage Limited	**1,964**	6,084
Wallace & Gromit's Children's Foundation	**86,239**	79,709
Whizz-Kidz	**-**	32,298
Wilderness Foundation UK	**61,530**	69,808
Wolverhampton Wanderers Foundation	**5,895**	5,502
Grants payable on accrued donations as at the year end	**84,496**	158,661
Other grants equal to or less than £5,000	**191,490**	80,229
Total grants payable	**6,257,984**	5,446,102

The Trustees Report provides more information relating to the Charity's grant making policy.

Grants payable includes a commitment of £1,639,867 (2021: £1,429,163) for grants paid to charities after the year end.

Of the income collected in the Republic of Ireland (see note 2), the following grants to charities were payable to institutions during the year:

	2022	2021
	£	£
Barretstown	**27,384**	34,335
My Canine Companion	**40,407**	-
Other grants equal to or less than £5,000	**4,714**	-
Total grants payable	**72,505**	34,335

Of the income collected in Jersey (see note 2), the following grants to charities were payable to institutions during the year:

	2022	2021
	£	£
Jersey Children's Charity	**7,607**	8,181
Macmillan Cancer Support Jersey	**21,148**	16,869
Other grants equal to or less than £5,000	**8,404**	4,162
Total grants payable	**37,159**	29,212

Of the income collected in the Isle of Man (see note 2), £5,620 (2021: £5,542) was granted to Isle of Play, a charity registered in the Isle of Man (number 1245)

Notes to the financial statements for the year ending 31 December 2022

5 Net (expenditure) / income for the year

This is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets	**17,504**	16,699
Amortisation of intangible fixed assets	**39,702**	38,541
Operating lease rentals:		
Property	**39,716**	35,657
Other	**798**	732
Auditors' remuneration (including VAT):		
Audit fees	**31,740**	26,028

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	**786,572**	664,806
Social security costs	**86,720**	69,734
Employer's contribution to defined contribution pension schemes	**53,494**	56,867
Staff Recruitment costs	**12,512**	824
Other staff costs	**4,418**	569
	943,716	792,800

The following number of employees received employee benefits of over £60,000 (excluding employer pension costs) during the year in the following ranges:

	2022	2021
	No.	No.
£60,001 - £70,000	**1**	1
£70,001 - £80,000	**2**	-
£80,001 - £90,000	**1**	1

The total employee benefits of the key management personnel were as follows:

	2022	2021
	£	£
Salaries and wages	**201,854**	177,920
Social security costs	**25,400**	21,099
Employer's contribution to defined contribution pension schemes	**41,321**	46,850
	268,575	245,869

The Charity trustees were neither paid nor received any other benefits from the Charity in the year (2021: £nil). No Charity trustee received payment for professional or other services supplied to the Charity (2021: £nil).

The Charity trustees were neither paid nor received any expenses from the Charity in the year (2021: £nil). During the year and, up to the date of approval of the Trustees' report, there was a qualifying third-party indemnity in place for directors, as allowed by Section 234 of the Companies Act 2006.

Notes to the financial statements for the year ending 31 December 2022

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 17 (2021: 15).

Staff are split across the activities of the charitable company as follows (full time equivalent basis):

	2022 No.	2021 No.
Charitable Activities	12	11
Support & Governance	5	4
	17	15

8 Related party transactions

Alison Hutchinson, the CEO of the Charity, is a non-executive director of the retailer DFS Furniture plc which owns Sofology Limited. During the year Sofology Limited supported the Charity by enabling Pennies in its stores collecting £63,839 (2021: £74,404) for UK charities. At the end of the year Sofology Limited owed the Charity £6,567 (2021: £9,028) for donations collected on its behalf.

Robert Leitão, a trustee, is a managing partner at Rothschild & Co. During the year the Charity paid Rothschild & Co £9,286 (2021: £5,920) for hosting the Charity's annual event for over 200 people. In addition Rothschild & Co supported the Charity by providing the function room for the annual event, and occasional meeting rooms during the year, valued in total at £3,581 (2021: £3,064) on a pro bono basis.

Penny Lovell, a trustee, is a trustee of Prism The Gift Fund (charity registration 1099682). In 2022 the Charity granted £16,063 (2021: £Nil) to Prism The Gift Fund.

There was no bad or doubtful debts provision or expense from related parties.

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Intangible fixed assets

	Under construction £	Systems software £	Other computer software £	Total £
Cost				
At the start of the year	-	85,311	169,608	**254,919**
Transfers	-	(3,744)	3,744	-
Additions in year	25,260	-	5,689	**30,949**
At the end of the year	25,260	81,567	179,041	**285,868**
Amortisation				
At the start of the year	-	18,205	139,764	**157,969**
Charge for the year	-	16,314	23,388	**39,702**
At the end of the year	-	34,519	163,152	**197,671**
Net book value				
At the end of the year	25,260	47,048	15,889	**88,197**
At the start of the year	-	67,106	29,844	96,950

All of the above assets are used for charitable purposes.

Capital commitments as at 31 December 2022 totalled £14,850 (2021: £nil)

Notes to the financial statements for the year ending 31 December 2022

11 Tangible fixed assets

	Leasehold Improvements £	Office Furniture £	Office & Computer equipment £	Total £
Cost				
At the start of the year	82,822	26,537	26,863	**136,222**
Additions in year	-	-	3,825	**3,825**
At the end of the year	82,822	26,537	30,688	**140,047**
Depreciation				
At the start of the year	27,908	8,886	22,050	**58,844**
Charge for the year	10,803	3,461	3,240	**17,504**
At the end of the year	38,711	12,347	25,290	**76,348**
Net book value				
At the end of the year	44,111	14,190	5,398	**63,699**
At the start of the year	54,915	17,651	4,813	77,378

All of the above assets are used for charitable purposes.

Both the amortisation and depreciation charge for the year are included in unrestricted expenditure on charitable activities in the Statement of Financial Activities

12. Investments

The Charity owns 100% of the issued shared capital of Your Penny Limited, a private limited company registered in England and Wales (registered number 6880306), being £1 share. The investment is valued at £1 (2021: £1) being £1 for the share capital. This is equal to the value of Your Penny Limited's reserves of £1. Your Penny Limited is a dormant company.

13. Financial and other commitments

At 31 December 2022 the Charity had total commitments under non-cancellable operating leases as detailed below:

	Property		Equipment	
	2022	2021	**2022**	2021
	£	£	**£**	£
Less than one year	**73,868**	75,498	**600**	648
One to five years	**301,628**	283,517	**1,250**	1,896
	375,496	359,015	**1,850**	2,544

In 2019, the Charity entered a lease for office premises commencing on 24 May 2019 and expiring on 31 January 2027. In 2021 the office premises were sold and the new landlord has elected to charge VAT on the rent with effect from April 2022.

Notes to the financial statements for the year ending 31 December 2022

14. Debtors

	2022	2021
	£	£
Other debtors	**789,243**	663,335
Accrued income	**132,952**	348,728
Prepayments	**54,293**	36,051
Rent deposit	**24,937**	24,937
	1,001,425	1,073,051

Other debtors represent Pennies donations collected and invoiced but not yet paid to the Charity at the year end.

Included in Accrued Income is £100,000 (2021: £200,000) which represents grants pledged but not due to be paid until 2023.

The rent deposit relates to the Charity's lease on office premises entered into in 2019, which will be held for more than one year.

15. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	**59,709**	47,572
Amounts due to subsidiary	**1**	1
Taxation and social security	**26,532**	24,591
Grant accruals	**1,639,867**	1,429,163
Other accruals	**116,634**	113,388
	1,842,743	1,614,715

16a Analysis of net assets between funds (current year)

	General unrestricted	Restricted	**Total funds**
	£	£	**£**
Intangible fixed assets	88,197	-	**88,197**
Tangible fixed assets	63,699	-	**63,699**
Investments	1	-	**1**
Net current assets	1,235,860	-	**1,235,860**
Net assets at 31 December 2022	**1,387,757**	**-**	**1,387,757**

16b Analysis of net assets between funds (prior year)

	General unrestricted	Restricted	**Total funds**
	£	£	**£**
Intangible fixed assets	96,950	-	**96,950**
Tangible fixed assets	77,378	-	**77,378**
Investments	1	-	**1**
Net Current assets	1,291,087	45,944	**1,337,031**
Net assets at 31 December 2021	**1,465,416**	**45,944**	**1,511,360**

Notes to the financial statements for the year ending 31 December 2022

17a Movements in funds (current year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers in/(out) £	At 31 December 2022 £
Restricted funds:					
Pennies donations	-	6,257,984	(6,257,984)	-	-
CRM system fund	45,944	-	-	(45,944)	-
Other restricted fund	-	30,000	(30,000)	-	-
Total restricted funds	45,944	6,287,984	(6,287,984)	(45,944)	-
General funds	1,465,416	1,146,524	(1,270,127)	45,944	**1,387,756**
Total unrestricted funds	1,465,416	1,146,524	(1,270,127)	45,944	**1,387,756**
Total funds	1,511,360	7,434,508	(7,558,111)	-	**1,387,756**

The transfer represents the use of the CRM system fund for the intangible asset under construction (£25,260), for a prepayment for the same asset under construction (£14,835) which represents the portion not yet complete, and for computer software licences (£5,849) which were purchased using these restricted funds.

CRM system fund

The CRM system fund represents a donation for the implementation and ongoing development of a customer relationship management (CRM) system.

Other restricted fund

The other restricted fund represents a donation in support of the Pennies annual event which was held in November 2022.

17b Movements in funds (prior year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers in/(out) £	At 31 December 2021 £
Restricted funds:					
Pennies donations	-	5,446,102	(5,446,102)	-	-
CRM system fund	57,532	-	-	(11,588)	**45,944**
Total restricted funds	57,532	5,446,102	(5,446,102)	(11,588)	**45,944**
General funds	1,515,776	1,028,737	(1,090,685)	11,588	**1,465,416**
Total unrestricted funds	1,515,776	1,028,737	(1,090,685)	11,588	**1,465,416**
Total funds	1,573,308	6,474,839	(6,536,787)	-	**1,511,360**

Purposes of restricted funds

Pennies Donations

The Pennies Donations restricted fund represents the proportion of Pennies donations which the trustees have agreed to grant to UK, Republic of Ireland, Isle of Man, or Jersey registered charities which have been nominated by retailers which offer their customers the opportunity to donate via the digital charity box. The proportion and the nominated charity are named at the point of donation. The movement in this fund is disclosed in note 4 to the financial statements.

Notes to the financial statements for the year ending 31 December 2022

18. Reconciliation of net (expenditure) to net cash flow from operating activities

	2022	2021
	£	£
Net (expenditure) for the reporting period (as per the statement of financial activities)	**(123,603)**	(61,949)
Depreciation charges	**57,206**	55,240
Interest from investments	**(2,233)**	(163)
Decrease/(Increase) in debtors	**71,626**	(562,730)
Decrease in creditors	**228,028**	304,374
Net cash provided by/(used in) operating activities	**231,024**	(265,228)

19. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

THE PENNIES FOUNDATION

England & Wales - Charity number 1122489

Accounts

Pennies!

Annual report & financial statements 2021

Because micro-donations matter.

Pennies!

Our impact in 2021

If all the micro-donations made during 2021 were made up of real pennies, laid end to end they'd

reach 30% of the way round the Earth!

13.1m
micro-donations

made through digital channels in 2021, including ecommerce and pay at table apps, reflecting a shift in consumer spending behavior

22% increase

in the total number of charities to have benefitted from Pennies to date

2020

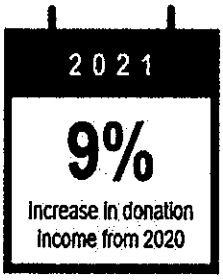
610
total charities supported

2021

747
total charities supported

Did you know? In the time it takes to brew the perfect cup of a tea

200
micro-donations
are made through Pennies



Figures correct as of February 2022

The Pennies Foundation

Annual report and financial statements

for the year ended
31 December 2021

Registered in England and Wales charity number: 1122489
Registered in the Republic of Ireland charity number: 20106331
Registered in the Isle of Man charity number: 1275
Company number: 6418982
Registered office
1st Floor
64 London Wall
London, EC2M 5TP

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Legal and Administrative Information

Registered Charity Numbers:		
England and Wales	1122489	
Republic of Ireland	20106331	
Isle of Man	1275	
Company Registration Numbers:		
England and Wales	06418982	
Isle of Man	006181F	
Governing Instrument	Articles of Association	(Amended 12 August 2019)
Trustees	Robert Leitão	Chair
	Peter Ayliffe	Audit Committee member
	Graham Edwards	Audit Committee Chair
	Ian Filby	
	Penny Lovell	
	Julian Taylor	Audit Committee member
	Leigh Thomas	
Chief Executive	Alison Hutchinson CBE	
Registered Office and Business Address	First Floor 64 London Wall London EC2M 5TP	
Bankers	HSBC Bank plc 94 Kensington High Street London W8 4SH	
Auditors	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB	
Solicitors	Simmons & Simmons LLP Citypoint One Ropemaker Street London EC2Y 9SS	
Website	www.pennies.org.uk	

The Report of the Trustees

The trustees are pleased to present their annual directors' report together with the financial statements of The Pennies Foundation (working name "Pennies") for the year ending 31 December 2021, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Vision, objects of the Charity and public benefit

Vision

Our vision is that wherever consumers use a card or digital payment capability to pay for goods and services, whether in shops, online, mobile or self-checkout, they are given the opportunity to donate a few pennies to charity. We want to make it easy and affordable for everyone to be able to give and together create a significant impact for the charitable sector.

Micro-donations have an opportunity to inject £1bn into the UK charity sector if every UK card holder gave just 35p a week.

Mission

We are a charity with a simple mission: to protect and grow micro-donations by leading the micro-donation movement in the UK.

Purpose

Our purpose is to ensure that people have digital ways to keep giving those small amounts that mean so much to charitable causes and are the lifeblood of charitable giving in the UK.

Objects of the Charity

The Charity's objects are, for the benefit of the public:

1 The promotion of the voluntary sector in particular (but not exclusively) by encouraging and facilitating charitable giving, assisting in the application of funds for charitable purposes and monitoring the use of such funds by charitable organisations;
2 The promotion of the efficiency and effectiveness of charities and the effective use of charitable resources in particular (but not exclusively) by providing advice to charities and organisations seeking to maximise charitable giving, exchanging information with such charities and organisations and providing technology and infrastructure designed to make it easier to give to charity; and
3 Such other purposes that are exclusively charitable as the trustees from time to time think fit.

Strategies to Achieve Our Objectives

We are a prominent voice in the UK encouraging efficient, sustainable and innovative giving, ensuring charities continue to thrive and the public still have affordable ways to donate.

Pennies, our digital charity box, is an intuitive upgrade of the collection tin. Day to day we keep it running, implementing with new retailers, collecting donations, and granting those funds to charities.

We work with the payments sector to introduce micro-donation opportunities to more channels, unlocking the functionality for the benefit of the charity sector.

We use our expertise to maximise the impact of each partnership, boosting donation levels and communicating the social impact of donations.

We reorganised our Advisory Groups into three new Advisory Boards during the year, being a Retail and Services Advisory Board, a Hospitality and Leisure Advisory Board, and a Payments Advisory Board, and we were delighted to have attracted over 40 leaders in their sectors to these boards to advise us from an industry perspective. Although the Advisory Boards are not part of the Charity's formal governance structure, they provide industry insight and recommendations that the trustees take into account in formulating strategy.

Pennies is independent, enabling it to lead the micro-donation movement for the benefit of the charity sector, and we engage across all technologies, merchants and hospitality sectors and channels. We focus on the security and efficiency of the movement giving consumers an easy opportunity to support charities as they go about their daily lives..

Public Benefit, Environmental and Social Impact

The trustees confirm that, in carrying out their responsibilities and exercising their powers, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission for England and Wales.

As set out in this report, our charitable activities include implementing Pennies with our partners to give consumers the option to donate their "digital change" whenever they use cards or other digital payment methods to pay for goods and services. The sums collected are donated to us and we then make grants to approved registered charities. We do not collect or hold personal data relating to individual donors and our retail partners undertake not to contact them about their donations. We are focused on encouraging consumers to give to charity and supporting the UK charitable sector by raising additional funds through micro-donations.

The trustees consider that, as registered charities are required to demonstrate explicitly that their aims fulfil the requirements of public benefit, and as our activities are directed towards making grants to charities which are registered with at least one of the Charity Commission for England and Wales, the Office of the Scottish Charity Regulator, the Charity Commission for Northern Ireland, the Charities Regulatory Authority in the Republic of Ireland, the Association of Jersey Charities, or the Isle of Man Charities Central Registry, our activities are wholly for the public benefit.

In addition, we publish a Social Impact Report to highlight the breadth of causes and charities benefitting from Pennies. The latest report is available on our website at https://pennies.org.uk/our-impact. We also carry out our own impact evaluation of the use of the funds by those charities and we regularly publish information on our website relating to the work of the charities that benefit.

As a significant proportion of Pennies' social value is created by the impact of the micro-donations we enable, we can deduce that significant additional social value will have been created through our work in 2021. In addition, by working with our partners to enable micro-donating we are helping them to fulfil their own social objectives to give back to the communities in which they operate.

The trustees consider that Pennies has a low environmental impact as a digital-only initiative that does not require the manufacture or transport of physical goods. In addition, we occupy a single office location refurbished in 2019 with the latest energy-efficient heating and lighting and have adapted a hybrid working pattern such that fewer days are worked in the office thereby saving a significant portion of staff travel time and the impact that has on the environment.

Structure, Governance and Management

The Charity is a private company limited by guarantee, registered in England and Wales (number 06418982) and is a charity registered with the Charity Commission for England and Wales (number 1122489), with the Charities Regulatory Authority in the Republic of Ireland (number 20106331), and is registered with the Jersey Financial Services Commission as required by The Non-Profit Organisations (Jersey) Law 2008 (the "NPO Law"), and with the Isle of Man Charities Central Registry (number 1275).

The working name for the Charity is "Pennies". The Charity's governing document is the Articles of Association adopted on 6 November 2007 and amended on 12 August 2019 (the Constitution).

Trustees consider the principles set out in the Charity Governance Code, refreshed at the end of 2020, when carrying out their duties. During the year we prepared an evaluation of how the Charity apply the Code's principles and recommended practices. The evaluation showed that many of the Code's recommended good practices are applied. We will continue to use the code as a tool to support continuous improvement as the Charity develops, and to focus on the areas of the evaluation identifying where improvement and further implementation can occur.

The liability of the members is limited, and each member agrees to contribute up to £10 in the event of the Charity being wound up. The trustees are the only members of the Charity and they automatically become members on appointment to the Board of Trustees (Board).

The Charity has a wholly owned subsidiary, Your Penny Limited, which is a private limited company registered in England and Wales (registered number 6880306). Your Penny Limited is a dormant company.

The Charity is registered with the Fundraising Regulator and has committed to follow the Code of Fundraising Practice and the Fundraising Promise. In 2021 we received a total of 4 complaints (2020: 3 complaints) which is extremely low in the context of our total number of donations for the year which was 23.6 million (2020: 22.5 million). We responded to, and resolved, each of these with the complainants. Pennies is a pressure-free way to donate to charity prompted by technology, without the need for a person to make the ask, allowing the consumer to confidentially choose to donate if they wish, and anonymously, as no personal data is asked for or collected.

Trustees

The Constitution requires at least three trustees but there is no maximum number. As set out in the Constitution the trustees have the power at any time to appoint any person who is able and willing to be a trustee. Trustees are appointed for an initial term of three years and may be reappointed by the trustees for further terms of three years. In the event that a Trustee has served in office for three consecutive terms of three years, such Trustee may be reappointed by the Trustees for further terms of three years after the end of their third term in office if 75% of the Trustees resolve that they are reappointed, taking account of the Trustee's contribution to the Board as a whole. This flexibility is of great value to the Charity in its still relatively early years, and in a period of anticipated rapid growth and continual development having a consistency of key board members is very welcome. No trustees reached the end of their term in office in 2021.

When recruiting new trustees, we aim to attract a breadth of skills and diversity commensurate with our stage of development as a growing charity. Board appointments are based on merit and whether a candidate has the skills and knowledge to be an effective trustee and has the ability to support the ambitious donation growth targets set by the Board of Trustees over the short to medium term.

Prior to appointment, trustees receive a comprehensive induction pack which includes the Constitution, background on Pennies and its aims, our *Code of Conduct for Trustees* and *Conflict of Interest Policy* and information about their role and responsibilities. Both new and existing trustees have the opportunity to meet regularly with the Chief Executive, the senior management team and other members of staff, and when required further training is arranged for a trustee as an individual or for the Board as a whole. During the year the Chair and the Chief Executive met to assess the effectiveness of the Board and individual trustees.

The following either served as trustees during the financial year or were trustees at the date of this report:

Robert Leitão	Chair
Peter Ayliffe	Audit Committee member
Graham Edwards	Audit Committee Chair
Ian Filby	
Penny Lovell	
Julian Taylor	Audit Committee member
Leigh Thomas	

The trustees, who are collectively responsible for our governance, for ensuring delivery of our charitable objectives and for setting our strategic direction, met five times during the year. At each meeting the trustees received a governance update and debated the implications for the Charity.

The Board has delegated responsibility to the Audit Committee to monitor the financial performance, financial reporting, and external audit arrangements of Pennies. The Audit Committee met twice during the year.

The Audit Committee has delegated responsibility on behalf of the Board for:

- reviewing the financial statements and the application of appropriate accounting policies; and
- providing oversight of the external audit process by monitoring and reviewing its effectiveness, independence and objectivity.

Matters which are reserved to the Board include appointing the Chief Executive, agreeing our strategy, plans and budget, appointing external auditors and approving key policies such as the risk management and investment policies.

Management and staff

Responsibility for the day-to-day management of Pennies is delegated to the Chief Executive, Alison Hutchinson CBE, within the strategic and accountability frameworks established by the trustees and she is supported by a small team including a number of volunteers.

We support the principles of equality, diversity and inclusion in the Charity Governance Code and take these into account when recruiting trustees, management and staff, balanced with our specific needs as a growing and changing charity. We are actively looking for diversity of input to better inform the decisions of the board. In terms of gender diversity, as well as having a female CEO, nearly 30% of our trustees are women. Over time, as we become more established, we expect to see a continuous improvement in the wider areas of equality, diversity and inclusion.

We have supported our staff throughout the Covid-19 pandemic and quickly facilitated and adapted to home working. We have consulted with our staff throughout this period with regard to their readiness to return to the office and more recently have adapted a hybrid working policy of some days in the office and some working from home, which has been welcomed. We did not make use of either the Covid-19 employee furlough scheme or the other Covid-19 related funding schemes offered by the government.

Pay policy for senior staff

The trustees consider that the Board and the senior management team comprise the key management personnel of Pennies responsible for directing, controlling and running it on a day-to-day basis.

All trustees give their time freely and no trustee received remuneration in the year.

Senior staff pay is reviewed annually. Wherever possible, we benchmark salaries paid for comparable roles in the charitable sector adjusting for any additional responsibilities.

Pensions and other benefits

We have a workplace pension scheme and make the minimum statutory contributions for all enrolled employees. Also 1 employee (2020: 1) has employer pension contributions paid by us as part of a salary sacrifice scheme.

There were no additional benefits provided to staff in the year.

Risk Management

The Board recognises its responsibilities for ensuring that an appropriate framework is in place to identify, monitor and mitigate risks to our objectives and has accordingly adopted a Risk Management Policy. The risk management register is reviewed at least annually by the Board and any issues which could impact the Charity are raised and discussed by the Trustees at meetings during the year. The register identifies the major risks to which Pennies is exposed together with the actions and systems in place to mitigate or reduce the exposure to those risks.

The review carried out in 2021 identified that the key risks are:

1) not securing sufficient funding until the Charity reaches self-sustainability. This is managed through the plan to identify and obtain funding for core costs, which is reviewed regularly by the trustees alongside regular monitoring of the Charity's holding of unrestricted reserves.

2) reliance on third party technology companies who have agreed to enable Pennies as a feature of their product offering. This is managed by maintaining close relationships with technology companies with input provided by members of the Advisory Boards who are senior industry figures. As the Pennies micro-donation movement grows we are creating a standard which consumers value and partners want to be part of.

3) the contactless card transaction limit rising to £100 on 15th October 2021 having an impact where a contactless Pennies solution is not available. This is managed by the successfully increasing availability of a Pennies contactless solution in the market and our focus on growing this further. It is worth noting that since the contactless transaction limit was increased to £100 on 15th October 2021, we have not yet seen any material reduction in Pennies donations as increasingly our merchants have a contactless solution for Pennies as well as Chip and Pin.

4) Key person dependency principally the unplanned exit or long-term absence of key members of the Pennies team who possess business-critical abilities and knowledge. This is managed by maintaining an attractive remuneration and flexible working policy commensurate with Pennies' size and sector, sharing knowledge across the team, ensuring adequate notice periods are in place in employee contracts and the implementation of a new CRM system to centralise and store key contact data.

Covid–19

In 2020 and 2021, during the periods of lockdown, we experienced a significant shift from in-store to online donations. Overall donation volumes actually grew year on year by 6% in 2020 and a further 5% in 2021 with increased consumer donations and new merchant partners. As the UK begins to adapt to live with Covid-19 we rate the risk posed by Covid-19 as decreasing at the present time. We are alert to the issues for our retail and hospitality partners as a result of the fall out from the war in Ukraine but believe Pennies offers an affordable way for consumers to give and continue to support the sector.

Internal Controls

The trustees have overall responsibility for ensuring that we have in place appropriate financial and other systems and controls to provide assurance that we:

- operate efficiently and effectively;
- safeguard our assets against unauthorised use;
- maintain accurate financial and other records; and
- comply with relevant laws.

The systems of financial control are designed to provide a reasonable but not absolute level of effectiveness and include:

- an operational plan and annual budget;
- review of the risk management register;
- regular monitoring of actual results against budgets and forecasts; and
- delegation of authority to the Chief Executive for expenditure within the agreed budgets.

In 2021 we implemented a new cloud-based CRM system to provide a single, secure, source of information on all of our current and prospective partners as well as a new cloud-based finance system to enhance data hosting, security and management information.

During the year the trustees met 5 times to review our progress and, where required, approve the following:

- reports from the executive team on progress against plans
- an annual budget and a number of reforecasts during the year
- the top-down risk profile for the charity; and
- regular management accounts highlighting any variances from budget or reforecast.

Financial Review

Since launching in 2010 up to the end of 2021, consumer donations to Pennies have grown substantially, having raised a total of £33.3m from 135m consumer micro donations, from which we have made grants totalling £30.9m to 747 charities across a breadth of causes, and retained £2.4m for our own charitable purposes.

The Statement of Financial Activities on page 17 shows total incoming resources of £6,474,839 (2020: £5,651,334) which is analysed in note 2 to the financial statements. This represents an increase of 14.6% compared to the previous year.

In 2021 income from Pennies donations increased to £5,889,714 (2020: £5,377,471). Income from Corporates, Foundations and Other Donations also increased to £570,500 (2020: £137,609), the details of which can be found in note 2 to the financial statements.

We are extremely grateful to the generous donations from individuals, companies and charitable foundations that support our movement and provide funding for our core costs. Over time, as Pennies grows, we aim to become self-sufficient from the small percentage of retained Pennies donations.

The Statement of Financial Activities shows total resources expended of £6,536,787 (2020: £6,153,651) which is analysed in note 3 to the financial statements. This represents an increase of 6.2% compared to last year largely due to an increase in grants payable. Of the resources expended, £6,265,681 (2020: £5,877,948) was spent directly on charitable activities, the majority in the form of grants to other charities, £203,490 (2020: £219,525) was spent supporting charitable activities, and £67,616 (2020: £56,177) was spent on governance.

At the balance sheet date, we held funds of £1,511,360 (2020: £1,573,308), of which £45,944 (2020: £57,532) is restricted and £1,465,416 (2020: £1,515,776) is unrestricted and available for general use.

All funds not held as tangible or intangible assets, as an investment in the dormant subsidiary Your Penny Limited, or as a debtor or creditor, are held as cash at our bankers (HSBC) either in a current account or in an interest-bearing deposit account with instant withdrawal.

Investment Policy

Our investment policy is to retain funds in a liquid form to facilitate meeting the costs incurred in the furtherance of our objectives and to enable us to make timely grant payments to nominated and approved charities. Our funds are therefore either held in a current account or in liquid interest-bearing bank deposit accounts with our bankers, HSBC. The trustees keep the policy under review to ensure it remains appropriate in light of the expected growth of our income in the short to medium term.

Reserves Policy and Going Concern

The trustees are aware of the requirement for charities to manage the level of reserves that they hold and to adopt a policy which determines the level of reserves which they believe would be appropriate to maintain.

Our aim is to maintain a general reserve of unrestricted funds equal to at least one year's operational expenditure from the date of the balance sheet, and this is forecast to be in the region of £1.2m to £1.4m. At the end of the year the balance of unrestricted funds held was £1.46m, slightly above the target level. It is expected that the balance will gradually fall in 2022 but be maintained within target level during 2022 and beyond.

The trustees have considered the current level of reserves, and the evident sustainability of the Pennies model, in particular over the course of 2021, and have reviewed available liquid resources in the context of the operating and spending plans over the next 18-month period, together with the ability to raise further funds or curtail spending if required. Based on these considerations, the trustees believe that we have sufficient financial resources to continue in operational existence for the foreseeable future and that we are well placed to manage our operating risks successfully.

The trustees have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements. There is no material uncertainty about our ability to continue as a going concern.

Grant Making Policy

The Board has full responsibility for the distribution of all funds under its management.

Recognising the important role of merchants and payment service providers in enabling us to raise money and make grant payments to other charities, the trustees invite them to nominate charities to benefit from a major proportion of the funds they raise provided that the nominees comply with our overall criteria and on-going requirements. These include complying with applicable legislation at all times and the provision of impact information in respect of the grants.

All grants made by us are to charities registered with the Charity Commission for England and Wales or the equivalent in Scotland, Northern Ireland, the Republic of Ireland, Jersey, or the Isle of Man. The aims of the charities must fall within, or be analogous to, the descriptions of charitable purposes as set out in the Charities Act 2011 and they must be able to demonstrate public benefit as defined by the Charity Commission of England and Wales.

Funding is not available to individuals or unregistered bodies and we will not support charities having the principal objective of the advancement of religion or political activism.

Charities delivering a wide range of services across a breadth of causes were supported during the year. Our website (www.pennies.org.uk) has information about the charities that we have supported and continues to support. Note 4 to the accounts also gives details of all charities that received a grant in excess of £5,000 during the year or previous year.

We require all the benefitting charities to provide representative information about how grants are used and the difference they make to their beneficiaries. The information is published on our website and also regularly disseminated using social and other media.

Achievement and Performance

Good progress was made in the following areas during the year:

- We raised £5.9m from 23.6m donations which is +9% in value and +5% in volume over 2020, and represents our best year to date despite the lockdowns imposed on many of our retail partners.
- We supported 257 charities bringing the total since launch to 747.

- We demonstrated our flexibility to respond to our merchants that wanted to use Pennies to campaign for specific causes.
- We had over 20 implementations last year, a new record, which was a mix of new merchants, new channels with existing merchants, and new technology solutions, which will underpin our growth plans in 2022 and beyond
- We published our Social Impact Report 2020/21 (https://pennies.org.uk/our-impact)
- We have seen a really good level of new or renewed interest from larger merchants and have added strong brands to our prospects for 2022/23.
- We have pivoted Pennies to provide a range of new solutions including order and pay at table responding to the changing consumer channels as a result of COVID
- Our expanded Advisory Boards are already making a difference including new introductions to Board members at prospect merchants, guidance and support with our technology focus and many other offers of support, guidance and contribution.
- We recruited new talent to strengthen the team including the appointment of a new Marketing Director.

Details of all the organisations where Pennies is currently available can be found on our website at www.pennies.org.uk.

Strategy and plans for future periods

Just as they have in 2020/21, we know that businesses, charities and consumers will continue to face considerable uncertainty in the years to come. As we have throughout the last 18 months, we will continue to support our partners and respond to inevitable flux across retail, hospitality, and payments. We will remain responsive to changing trends and optimise the opportunities to donate with existing partners wherever and as quickly as possible.

Building on this momentum, we will work to implement the Pennies donation option with new merchants, in more sectors and in more channels, with a particular focus on e-commerce, m-commerce, contact-free payment options and regular payments through the likes of continuous card payments. Pennies works hand in hand with retailers, charities, and payment technology providers to unlock the potential for thousands of customers to donate every day. Together we increase the amount businesses can give – by tapping into the industry-wide move to digital payments.

The goodwill and public generosity that characterised 2020 has proved to be just as important in 2021. That is why it is our mission to ensure that more people than ever have affordable and convenient ways to make a difference in the years ahead. Having collected more than 100 million micro-donations in our first 10 years, our goal is to collect the next 100 million in just three years. We believe our commitment to developing donation partners and channels provides the springboard we need to achieve our ambitious target by 2024.

Over the longer term we are aiming to fully cover our core costs from a small percentage of the Pennies donations. In the meantime, we will continue to seek funding for core costs from foundations, individuals and other organisations until we reach that point.

The trustees are very grateful to the trusts, foundations, companies and individuals who have given so generously this year, and in previous years, to support Pennies. In particular, the trustees would like to thank our volunteers who support the day-to-day activities of the Charity and the members of our advisory boards who also give their time voluntarily to bring their industry experience to bear in supporting the development of our strategy and the pursuit of our objectives.

Related Parties

Related Party transactions are disclosed in Note 8 to the financial statements.

Statement of Trustees' Responsibilities

The trustees (who are also directors of The Pennies 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions relating to small companies set out in Statutory Instrument 2008/409 under the Companies Act 2006.

Signed on behalf of the Board of Trustees

Robert Leitão
Chairman

13 June 2022

Independent auditor's report to the Members of The Pennies Foundation

Opinion

We have audited the financial statements of The Pennies Foundation (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which 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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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 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 exemption from the requirement to prepare a Strategic Report or in preparing Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 12 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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting non-routine correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Fundraising Regulations and the Code of Fundraising Practice. We performed audit procedures to inquire of management whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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

Use of our report

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

RSM UK Audit LLP

HANNAH CATCHPOOL (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
Date 23 June 2022

The Pennies Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ending 31 December 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations	2	1,028,574	5,446,102	**6,474,676**	667,350	4,981,740	5,649,090
Investments	2	163	-	**163**	2,244	-	2,244
Total income		1,028,737	5,446,102	**6,474,839**	669,594	4,981,740	5,651,334
Expenditure on:							
Charitable activities	3	1,090,685	5,446,102	**6,536,787**	1,171,911	4,981,740	6,153,651
Total expenditure		1,090,685	5,446,102	**6,536,787**	1,171,911	4,981,740	6,153,651
Net (expenditure) for the year	5	(61,949)	-	**(61,949)**	(502,317)	-	(502,317)
Transfers between funds		11,588	(11,588)	-	75,360	(75,360)	-
Net movement in funds		(50,361)	(11,588)	**(61,949)**	(426,957)	(75,360)	(502,317)
Reconciliation of funds:							
Total funds brought forward	17a	1,515,776	57,532	**1,573,308**	1,942,733	132,892	2,075,625
Total funds carried forward		1,465,416	45,944	**1,511,360**	1,515,776	57,532	1,573,308

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17a to the financial statements.

The Pennies Foundation

Company number 6418982

Balance sheet as at 31 December 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Intangible assets	10		**96,950**		125,540
Tangible assets	11		**77,378**		92,129
Investments	12		**1**		1
			174,329		217,670
Current assets:					
Debtors	14	**1,073,051**		510,320	
Cash at bank and in hand		**1,878,695**		2,155,659	
		2,951,746		2,665,979	
Liabilities:					
Creditors: amounts falling due within one year	15	**(1,614,716)**		(1,310,341)	
Net current assets			**1,337,030**		1,355,638
Total assets less current liabilities			**1,511,360**		1,573,308
Total net assets			**1,511,360**		1,573,308
The funds of the charity:					
Restricted income funds	16		**45,944**		57,532
Unrestricted income funds:					
General funds		**1,465,416**		1,515,776	
Total unrestricted funds			**1,465,416**		1,515,776
Total charity funds			**1,511,360**		1,573,308

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the trustees and authorised for issue on 13th June 2022 and signed on their behalf by

Robert Leitão
Chair

Graham Edwards
Audit Committee Chair

The Pennies Foundation
Statement of Cash Flows
for the year ending 31 December 2021

	Note	£	2021 £	£	2020 £
Cash flows from operating activities	18		(265,229)		(121,897)
Cash flows from investing activities:					
Interest income		163		2,244	
Purchase of intangible fixed assets		(9,951)		(136,320)	
Purchase of tangible fixed assets		(1,948)		(5,950)	
Net cash (used in) investing activities			(11,736)		(140,026)
Change in cash and cash equivalents in the year			(276,965)		(261,923)
Cash and cash equivalents at the beginning of the year			2,155,659		2,417,582
Cash and cash equivalents at the end of the year			1,878,695		2,155,659

Notes to the financial statements for the year ending 31 December 2021

1 Accounting policies

a) Statutory information

The Pennies Foundation is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is First Floor, 64 London Wall, London, EC2M 5TP

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The Charity has a wholly owned subsidiary, Your Penny Limited, which has not traded since incorporation in 2009 and therefore consolidated accounts have not been prepared on the basis of materiality.

The Charity is a company limited by guarantee. The trustees are also members of the company, a register of which is held at the Charity's business address. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

The financial statements are presented in GBP pounds sterling (£), which is the functional currency of the Charity, and all values are rounded to the nearest £, except where indicated.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees have considered the current level of reserves, and the evident sustainability of the Pennies model as demonstrated by the resilience in donation levels in 2021, and have reviewed available liquid resources in the context of the operating and spending plans over the 18 month period to June 2023, together with the ability to raise further funds or curtail spending if required.

Based on these considerations, the trustees believe that we have sufficient financial resources to continue in operational existence for the foreseeable future and that we are well placed to manage our operating risks successfully. The trustees have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Donation and grant income

Donation income is included in the Statement of Financial Activities when the Charity becomes entitled to the resources, the receipt is probable, and the donation is measurable. Gift aid is included based on amounts recoverable at the accounting date.

Grant income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised but the trustees' annual report has more information about their contribution on page 8.

Donated gifts, professional services and donated facilities are recognised upon receipt on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Notes to the financial statements for the year ending 31 December 2021

1 Accounting policies (continued)

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Unrestricted funds are donations and other incoming resources which are available for use at the discretion of the trustees in furtherance of the general objects of the Charity and which have not been designated for a specific purpose.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the costs of encouraging and facilitating charitable giving using technology supporting microgiving at the point of sale with retail partners, undertaken to further the purposes of the Charity and its associated support and governance costs.

The Charity does not make VAT related supplies and is unable to recover VAT. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Grants payable

Grants payable are made to other charities in furtherance of the Charity's objects. Grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of each activity, comprising salary and overhead costs, is apportioned on the basis of estimated staff time of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the Charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Charity's activities.

l) Operating leases

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

m) Fixed assets

Both tangible and intangible assets with a cost in excess of £500 are capitalised. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold Improvements	Over the life of the lease
Office furniture	8 years
Computer and office equipment	3 years
Intangible assets - computer software	Between 3 and 5 years

Notes to the financial statements for the year ending 31 December 2021

1 Accounting policies (continued)

n) Investments in subsidiaries
Investment in the Charity's subsidiary company, Your Penny Limited, is valued at cost less a provision for impairment. See note 12 for more information.

o) Debtors
Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Foreign Currencies
Foreign currency balances (Euros) have been translated at the rate of exchange ruling at the balance sheet date into sterling. Income and expenditure transactions incurred in foreign currency have been translated during the course of the period at the rate of exchange ruling at the time of the transaction.

r) Creditors and provisions
Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments
The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value and subsequently measured at their settlement value.

t) Employee Benefits - terminaton payments

Termination benefits are amounts payable as a result of a decision by the Charity to terminate an individual's employment before the normal retirement date, or an individual's decision to accept voluntary redundancy, and are accounted for on an accruals basis when the Charity is demonstrably committed to the termination of the employment of an individual or group of individuals. There were no termination benefits in the accounting period (2020: £20,000).

u) Pensions
The Charity has a workplace pension money purchase scheme for employees operated by The People's Pension. Employees are automatically enrolled into this scheme unless they have exercised their right to opt out of scheme membership. Employees joining the scheme contract directly with The People's Pension. The Charity makes a matching contribution of 5% of salary (2020: 5%) and acts as an agent in collecting and paying over contributions. The contributions for the accounting period are treated as an expense and were £11,118 (2020: £11,331). There were no contributions owing at the year end (2020: £nil).

v) Judgements in applying accounting policies and key sources of estimation uncertainty
The trustees have reviewed the accounts and believe there to be no material judgements applied in or estimation uncertainty included in the financial statements.

Notes to the financial statements for the year ending 31 December 2021

2 Analysis of incoming resources

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Voluntary Income				
Consumer donations to Pennies ("Pennies donations")	443,612	5,446,102	**5,889,714**	5,377,471
Corporates and Foundations				
Oak Foundation	137,500	-	**137,500**	100,000
Pears Foundation	300,000	-	**300,000**	-
Other donations	133,000	-	**133,000**	37,609
Gift aid received	225	-	**225**	3,020
Donated services				
Marketing services	3,550	-	**3,550**	63,020
Other services	264	-	**264**	50,000
Computer software licences	10,423	-	**10,423**	17,971
	1,028,574	5,446,102	**6,474,676**	5,649,090
Investment Income				
Bank interest	163	-	**163**	2,244
	1,028,737	5,446,102	**6,474,839**	5,651,334

Pennies donations consist of micro donations made by members of the public via Pennies, the digital charity box.

The trustees have agreed to grant a proportion of Pennies donations to charities registered with the Charity Commission for England and Wales or the equivalent in Scotland, Northern Ireland, the Republic of Ireland, or the Isle of Man, that have been nominated by retailers which offer their customers the opportunity to donate via Pennies. This proportion of Pennies donations is treated as restricted income. All other Pennies donations are unrestricted.

During the year, the Charity collected £36,902 (2020: £40,881) of income from donations in the Republic of Ireland and £8,207 (2020: £8,380) from donations in the Isle of Man.

3 Analysis of expenditure

	Direct Charitable Activities £	Support Costs £	Governance costs £	2021 Total £	2020 Total £
Grants payable (note 4)	5,446,102	-	-	**5,446,102**	4,981,740
Staff costs (Note 6)	605,742	158,397	28,661	**792,800**	808,526
Office costs	131,430	34,406	6,193	**172,030**	166,819
Marketing	52,745	-	-	**52,745**	34,717
Auditors remuneration	-	-	26,028	**26,028**	25,432
Insurance	-	-	5,132	**5,132**	4,526
Legal fees	-	-	1,602	**1,602**	900
Consultancy fees	26,100	-	-	**26,100**	-
Volunteer expenses	12	-	-	**12**	-
Donated services & facilities	3,550	10,687	-	**14,237**	130,991
Total expenditure 2021	**6,265,681**	**203,490**	**67,616**	**6,536,787**	**6,153,651**
Total expenditure 2020	**5,877,948**	**219,525**	**56,177**	**6,153,651**	

Of the total expenditure, £1,047,652 was unrestricted (2020: £1,171,911) and £5,446,102 was restricted (2020: £4,981,740).

Expenditure on charitable activities includes costs of:
- facilitating micro-donation using the Pennies digital charity box when consumers pay for goods and services in store, on line and using mobile devices;
- administering the collection of Pennies donations and the disbursement to charities of Pennies grants; and
- promoting the micro donation movement for the charity sector as a whole and specifically publicising the social impact of the Pennies donations.

Notes to the financial statements for the year ending 31 December 2021

4 Grant making

The following grants to charities were payable to institutions during the year:

	2021	2020
	£	£
Action Against Hunger	**20,085**	-
Adnams Community Trust	**23,793**	20,242
Age UK	**199,682**	55,918
Barnardo's	**6,241**	9,429
Barretstown	**34,335**	37,044
BBC Children in Need	**11,339**	17,085
BEN Motor and Allied Trades Benevolent Fund	**21,192**	13,547
Birmingham Children's Hospital Charity	**79,709**	75,627
British Heart Foundation	**93,444**	115,308
British Paralympic Association	**60,165**	72,598
Cancer Research UK	**14**	8,324
CATT's (Cancer Awareness for Teens and Twenties)	**12,270**	18,412
Change Please Foundation	**5,000**	-
Children On The Edge	**12,160**	2,254
Children's Hospices Across Scotland	**5,539**	5,953
Clic Sargent Cancer Care for Children	**56,883**	64,218
Crisis UK	**8,706**	1,055
Dementia Adventure Trust	**5,119**	-
Dentaid Limited	**1,554**	5,081
Glasgow Children's Hospital Charity	**29,048**	21,929
Grace House North East	**7,922**	8,344
Great Ormond Street Hospital Children's Charity	**248,337**	255,374
Greenfingers Charity	**6,008**	1,577
Help for Heroes	**-**	16,395
Hendy Foundation	**15,643**	5,742
Hospice UK	**30,550**	9,696
Isle of Play	**5,390**	5,839
Jersey Children's Charity	**8,181**	8,599
Kent, Surrey and Sussex Air Ambulance	**5,297**	5,887
Leeds Cares	**17,072**	14,356
Macmillan Cancer Support	**725,463**	350,566
Macmillan Cancer Support Jersey	**16,869**	-
Maggie Keswick Jencks Cancer Caring	**6,683**	7,867
Make-A-Wish Foundation UK	**32,302**	33,400
Mental Health Foundation	**77,289**	54,374
MIND (National Association for Mental Health)	**23,818**	-
Moto in the Community	**78,526**	-
Newcastle upon Tyne Hospitals NHS Charity	**7,449**	10,879
NHS Charities Together	**105,293**	255,514
Noah's Ark Children's Hospital Charity	**14,467**	11,917
Northern Ireland Hospice	**32,607**	35,658
Papyrus Prevention of Young Suicide	**16,081**	18,742
Poundland Foundation	**123,965**	-
Rays of Sunshine	**-**	28,395
Scotland's Charity Air Ambulance	**-**	16,193
Shooting Star Chase	**7,587**	35,906
Special Olympics GB	**67,209**	35,906
Stroke Association	**-**	31,269
Sub total	**2,366,286**	1,802,419

Notes to the financial statements for the year ending 31 December 2021

carried forward from previous page	**2,366,286**	1,802,419
Target Ovarian Cancer	**-**	47,314
Teenage Cancer Trust	**866,288**	1,000,540
Teens Unite Fighting Cancer	**17,563**	13,757
The Alder Hey Children's Charity	**79,709**	75,627
The Caring Family Foundation	**-**	10,000
The Children's Hospital Charity	**18,563**	16,016
The National Society for the Prevention of Cruelty to Children	**5,896**	20,054
The National Trust	**64,658**	-
The National Trust for Scotland	**8,100**	-
The Prince's Trust	**278,457**	9,696
The Royal British Legion	**10,919**	9,094
The Royal Foundation	**942**	7,154
The Royal National Institute of Blind People	**-**	32,767
The Screwfix Foundation	**1,147,097**	1,486,528
Together for Short Lives	**31,147**	57,031
Tommy's	**32,298**	33,400
Twycross Zoo - East Midland Zoological Society Ltd	**6,791**	6,349
Unicef UK	**-**	45,329
Veterans Garage Limited	**6,084**	5,613
Wallace & Gromit's Children's Foundation	**79,709**	75,627
Whizz-Kidz	**32,298**	33,400
Wilderness Foundation UK	**69,808**	59,594
Wolverhampton Wanderers Foundation	**5,502**	9,590
WWF - UK	**-**	7,539
Grants payable on accrued donations as at the year end	**158,661**	11,063
Other grants less than £5,000	**159,326**	106,239
Total grants payable	**5,446,102**	4,981,740

The Trustees Report provides more information relating to the Charity's grant making policy.

Grants payable includes a commitment of £1,429,163 (2020: £1,137,093) for grants paid to charities after the year end.

Of the income collected in the Republic of Ireland (see note 2), £34,335 (2020: £37,044) was granted to Barretstown, a charity registered in the Republic of Ireland (number 20027759)

Of the income collected in the Isle of Man (see note 2), £5,542 (2020: £5,839) was granted to Isle of Play, a charity registered in the Isle of Man (number 1245)

5 Net (expenditure) / income for the year

This is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets	**16,699**	17,004
Amortisation of intangible fixed assets	**38,541**	25,005
Operating lease rentals:		
Property	**35,657**	35,700
Other	**732**	516
Auditors' remuneration (including VAT):		
Audit fees	**26,028**	25,432

Notes to the financial statements for the year ending 31 December 2021

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021	2020
	£	£
Salaries and wages	**664,806**	663,024
Social security costs	**69,734**	70,767
Employer's contribution to defined contribution pension schemes	**56,867**	74,575
Staff Recruitment costs	**824**	-
Other staff costs	**569**	160
	792,800	808,526

The following number of employees received employee benefits of over £60,000 (excluding employer pension costs) during the year in the following ranges:

	2021	2020
	No.	No.
£60,001 - £70,000	**1**	1
£80,001 - £90,000	**1**	2

The total employee benefits of the key management personnel were as follows:

	2021	2020
	£	£
Salaries and wages	**177,920**	101,755
Social security costs	**21,099**	11,629
Employer's contribution to defined contribution pension schemes	**46,850**	63,245
	245,869	176,629

During the year the Charity appointed 2 new members to it's key management team to help reduce the dependence on key personnel and to support the sustainable growth of the charity

The Charity trustees were neither paid nor received any other benefits from the Charity in the year (2020: £nil). No Charity trustee received payment for professional or other services supplied to the Charity (2020: £nil).

The Charity trustees were neither paid nor received any expenses from the Charity in the year (2020: £nil). During the year and, up to the date of approval of the Trustees' report, there was a qualifying third-party indemnity in place for directors, as allowed by Section 234 of the Companies Act 2006.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 15 (2020: 15).

Staff are split across the activities of the charitable company as follows (full time equivalent basis):

	2021	2020
	No.	No.
Charitable Activities	**11**	11
Support & Governance	**4**	4
	15	15

Notes to the financial statements for the year ending 31 December 2021

8 Related party transactions

3 (2020: 6) trustees donated a total of £101,200 in the year (2020: £1,500) of which £nil was restricted (2020: £nil).

Alison Hutchinson, the CEO of the Charity, is a non-executive director of the retailer DFS Furniture plc which owns Sofology Limited. During the year Sofology Limited supported the Charity by enabling Pennies in its stores collecting £74,404 (2020: £75,160) for UK charities. At the end of the year Sofology Limited owed the Charity £9,028 (2020: £5,597) for donations collected on its behalf.

Robert Leitão, a trustee, is a managing partner at Rothschild & Co which supported the Charity by providing a function room and catering staff for a marketing event, and occasional meeting rooms during the year, valued in total at £3,064 (2020: £50,000) on a pro bono basis.

There was no bad or doubtful debts provision or expense from related parties.

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Intangible fixed assets

	Systems software £	Other computer software £	**Total £**
Cost			
At the start of the year	75,360	169,608	**244,968**
Additions in year	9,951	-	**9,951**
At the end of the year	85,311	169,608	**254,919**
Amortisation			
At the start of the year	2,512	116,916	**119,428**
Charge for the year	15,693	22,848	**38,541**
At the end of the year	18,205	139,764	**157,969**
Net book value			
At the end of the year	67,106	29,844	**96,950**
At the start of the year	72,848	52,692	125,540

All of the above assets are used for charitable purposes.

Notes to the financial statements for the year ending 31 December 2021

11 Tangible fixed assets

	Leasehold Improvements £	Office Furniture £	Office & Computer equipment £	**Total £**
Cost				
At the start of the year	82,822	26,537	24,915	**134,274**
Additions in year	-	-	1,948	**1,948**
At the end of the year	82,822	26,537	26,863	**136,222**
Depreciation				
At the start of the year	17,105	5,425	19,615	**42,145**
Charge for the year	10,803	3,461	2,434	**16,699**
At the end of the year	27,908	8,886	22,050	**58,844**
Net book value				
At the end of the year	54,915	17,651	4,813	**77,378**
At the start of the year	65,717	21,112	5,300	92,129

All of the above assets are used for charitable purposes.

Both the amortisation and depreciation charge for the year are included in unrestricted expenditure on charitable activities in the Statement of Financial Activities

12. Investments

The Charity owns 100% of the issued shared capital of Your Penny Limited, a private limited company registered in England and Wales (registered number 6880306), being £1 share. The investment is valued at £1 (2020: £1) being £1 for the share capital. This is equal to the value of Your Penny Limited's reserves of £1. Your Penny Limited is a dormant company.

13. Financial and other commitments

At 31 December 2021 the Charity had total commitments under non-cancellable operating leases as detailed below:

	Property		Equipment	
	2021	2020	**2021**	2020
	£	£	**£**	£
Less than one year	**75,498**	66,393	**648**	372
One to five years	**283,517**	241,185	**1,896**	-
	359,015	307,578	**2,544**	372

In 2020, the Charity entered a new lease for office premises commencing on 24 May 2020 and expiring on 31 January 2027. In 2021 the office premises were sold and the new landlord has elected to charge VAT on the rent with effect from 2022.

Notes to the financial statements for the year ending 31 December 2021

14. Debtors

	2021	2020
	£	£
Other debtors	**663,335**	446,666
Accrued income	**348,728**	12,913
Prepayments	**36,051**	25,804
Rent deposit	**24,937**	24,937
	1,073,051	510,320

Other debtors represent Pennies donations collected and invoiced but not yet paid to the Charity at the year end.

Included in Accrued Income is £200,000 (2020: £nil) which represents grants pledged but not due to be paid until 2022 and 2023.

The rent deposit relates to the Charity's lease on office premises entered into during the year, which will be held for more than one year.

15. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	**47,572**	25,010
Amounts due to subsidiary	**1**	1
Taxation and social security	**24,591**	21,326
Grant accruals	**1,429,163**	1,137,093
Other accruals	**113,388**	126,911
	1,614,715	1,310,341

16a Analysis of net assets between funds (current year)

	General unrestricted	Restricted	Total funds
	£	£	£
Intangible fixed assets	96,950	-	**96,950**
Tangible fixed assets	77,378	-	**77,378**
Investments	1	-	**1**
Net current assets	1,291,087	45,944	**1,337,031**
Net assets at 31 December 2021	**1,465,416**	**45,944**	**1,511,360**

16b Analysis of net assets between funds (prior year)

	General unrestricted	Restricted	Total funds
	£	£	£
Intangible fixed assets	125,540	-	**125,540**
Tangible fixed assets	92,129	-	**92,129**
Investments	1	-	**1**
Net Current assets	1,298,106	57,532	**1,355,638**
Net assets at 31 December 2020	**1,515,776**	**57,532**	**1,573,308**

Notes to the financial statements for the year ending 31 December 2021

17a Movements in funds (current year)

	At 1 January 2021	Income & gains	Expenditure & losses	Transfers in/(out)	At 31 December 2021
	£	£	£	£	£
Restricted funds:					
Pennies donations	-	5,446,102	(5,446,102)	-	-
CRM system fund	57,532	-	-	(11,588)	**45,944**
Total restricted funds	57,532	5,446,102	(5,446,102)	(11,588)	**45,944**
General funds	1,515,776	1,028,737	(1,090,685)	11,588	**1,465,416**
Total unrestricted funds	1,515,776	1,028,737	(1,090,685)	11,588	**1,465,416**
Total funds	1,573,308	6,474,839	(6,536,787)	-	**1,511,360**

The narrative to explain the purpose of each fund is given at the foot of the note below.

The transfer represents the use of the CRM system fund for the capitalised intangible asset (Systems Software) which was purchased using these restricted funds.

17b Movements in funds (prior year)

	At 2 January 2020	Income & gains	Expenditure & losses	Transfers in/(out)	At 31 December 2020
	£	£	£	£	£
Restricted funds:					
Pennies donations	-	4,981,740	(4,981,740)	-	-
CRM system fund	132,892	-	-	(75,360)	**57,532**
Total restricted funds	132,892	4,981,740	(4,981,740)	(75,360)	**57,532**
General funds	1,942,733	669,594	(1,171,911)	75,360	**1,515,776**
Total unrestricted funds	1,942,733	669,594	(1,171,911)	75,360	**1,515,776**
Total funds	2,075,625	5,651,334	(6,153,651)	-	**1,573,308**

Purposes of restricted funds

Pennies Donations

The Pennies Donations restricted fund represents the proportion of Pennies donations which the trustees have agreed to grant to UK, Republic of Ireland, or Isle of Man registered charities which have been nominated by retailers which offer their customers the opportunity to donate via the digital charity box. The proportion and the nominated charity are named at the point of donation. The movement in this fund is disclosed in note 4 to the financial statements.

CRM system fund

The CRM system fund represents a donation for the implementation and ongoing development of a customer relationship management (CRM) system.

Notes to the financial statements for the year ending 31 December 2021

18. Reconciliation of net (expenditure) to net cash flow from operating activities

	2021	2020
	£	£
Net (expenditure) for the reporting period (as per the statement of financial activities)	**(61,949)**	(502,317)
Depreciation charges	**55,240**	42,009
Interest from investments	**(163)**	(2,244)
Decrease in value of investments	**-**	-
(Increase)/Decrease in debtors	**(562,731)**	470,414
Decrease/(Increase) in creditors	**304,374**	(129,759)
Net cash (used in) operating activities	**(265,229)**	(121,897)

19. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

THE PENNIES FOUNDATION

England & Wales - Charity number 1122489

Accounts

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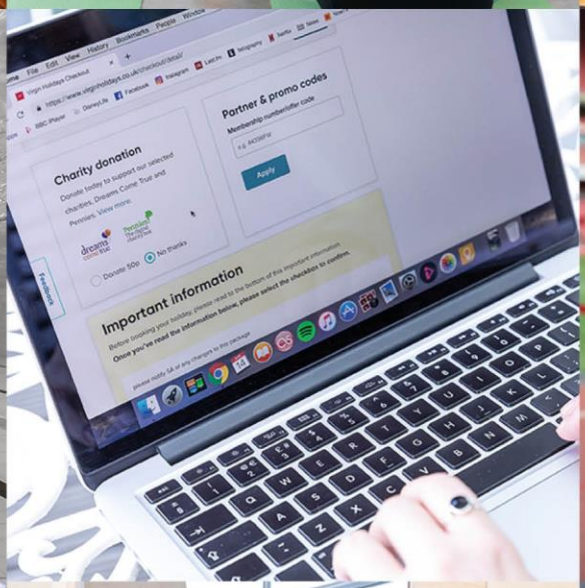
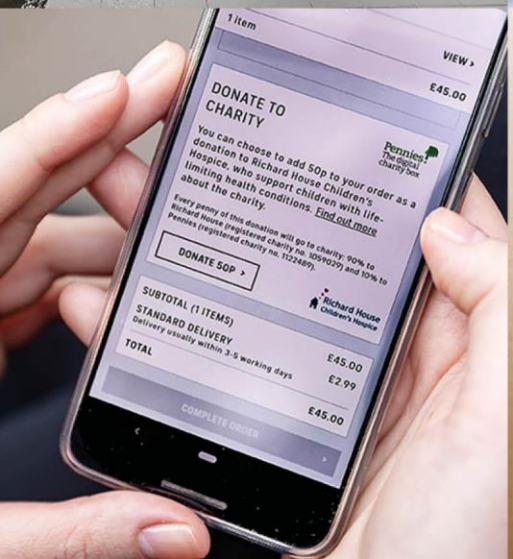
Annual report & financial statements 2020





Pennies!

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The Pennies Foundation

Annual report and financial statements

for the year ended 31 December 2020

Registered in England and Wales charity number: 1122489
Registered in the Republic of Ireland charity number: 20106331
Registered in the Isle of Man charity number: 1275
Company number: 6418982
Registered office
1st Floor
64 London Wall
London, EC2M 5TP

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Legal and Administrative Information

Registered Charity Numbers:		
England and Wales	1122489	
Republic of Ireland	20106331	
Isle of Man	1275	
Company Registration Numbers:		
England and Wales	06418982	
Isle of Man	006181F	
Governing Instrument	Articles of Association	(Amended 12 August 2019)
Trustees	Robert Leitão	Chair
	Peter Ayliffe	Audit Committee member
	Graham Edwards	Audit Committee Chair
	Ian Filby	
	Penny Lovell	
	Julian Taylor	Audit Committee member
	Leigh Thomas	
Chief Executive	Alison Hutchinson CBE	
Registered Office and Business Address	First Floor 64 London Wall London EC2M 5TP	
Bankers	HSBC Bank plc 94 Kensington High Street London W8 4SH	
Auditors	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB	
Solicitors	Simmons & Simmons Citypoint One Ropemaker Street London EC2Y 9SS	
Website	www.pennies.org.uk	

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The Report of the Trustees

The trustees are pleased to present their annual directors' report together with the financial statements of The Pennies Foundation (working name "Pennies") for the year ending 31 December 2020, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Vision, objects of the Charity and public benefit

Vision

Our vision is that wherever consumers use a card or digital payment capability to pay for goods and services, whether in shops, online, mobile or self-checkout they are given the opportunity to donate a few pennies to charity.

We have created "Pennies", the digital charity box to give consumers the option to donate a few digital pennies with the single press of a button or click of a mouse. Pennies is the digital upgrade of the traditional charity box, designed to fit with our increasingly cashless lifestyles. It gives people the opportunity to donate a few pence to charity in a secure and private way when paying by card or mobile wallet. Donations made via Pennies are completely anonymous: we do not ask for or receive any personal consumer data.

Use of cash as a medium of exchange has fallen dramatically in recent years. Only 23% of all payments in 2019 were made using cash, down from close to 60% a decade earlier, as people increasingly turn to other methods to make transactions, such as debit cards and digital payments*.

These trends in cash use and demand have continued — and in fact been magnified — as a result of Covid. Both the volume and value of cash withdrawn from the ATM network were approximately 60% lower in late March 2020 than the same period in 2019*.
(**source: Bank of England, Quarterly Bulletin 2020 Q4, Cash in the time of Covid)*

If every cardholder donated just 35p a week, ***£1 billion*** in additional funds could be raised for charities in the UK.

Mission

We are a charity with a simple mission: to protect and grow micro-donations by leading the micro-donation movement in the UK. Our aim is to ensure that people have digital ways to keep giving those small amounts that mean so much to charitable causes and are the lifeblood of charitable giving in the UK.

Objects of the Charity

The Charity's objects are, for the benefit of the public:

1. The promotion of the voluntary sector in particular (but not exclusively) by encouraging and facilitating charitable giving, assisting in the application of funds for charitable purposes and monitoring the use of such funds by charitable organisations;
2. The promotion of the efficiency and effectiveness of charities and the effective use of charitable resources in particular (but not exclusively) by providing advice to charities and organisations seeking to maximise charitable giving, exchanging information with such charities and organisations and providing technology and infrastructure designed to make it easier to give to charity; and
3. Such other purposes that are exclusively charitable as the trustees from time to time think fit.

Strategies to Achieve Our Objectives

We promote affordable and convenient giving of digital micro donations by consumers through our own digital charity box and make grants to hundreds of charities. Through our work, we aim to improve efficiency and effectiveness within the UK charity sector and maximise the potential for charities to deliver their own aims and objectives.

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Our digital charity box offers people a chance to make giving part of daily life, in a way that is accessible and sustainable. In turn, we provide valuable additional funding for charities, allowing them to enhance their impact.

We work with payments and technology companies to develop the Pennies donation option across different retail and payments channels, creating solutions that work for their customers.

On the high-street, online or in-app, we work with merchants to implement our digital charity box and give their customers the option to donate to charity when they make a payment by card or digital wallet. Just as they would drop loose change in a collection tin, customers can make a small, one-touch donation to Pennies when paying by card or digital wallet with a partner merchant – without handing over any personal data.

We track each individual donation from the point of sale to the moment we make the grant to a charity with the impact of donations being reported back to our partners and their customers.

We have formed both a Retail and Hospitality Advisory Group, and a Payments Advisory Group, with leaders in their sectors to advise us from an industry perspective.

Pennies is independent, enabling it to lead the micro-donation movement for the benefit of the UK charity sector, and we engage across all technologies, merchants and hospitality sectors and channels. We focus on the security and efficiency of the movement giving consumers an easy choice to support the UK charity sector.

We have a detailed annual plan and budget within a rolling 3-year plan and budget framework which management and trustees use to closely monitor activity. Key performance indicators are reviewed regularly including those relating to the number of merchants where Pennies is live; the technology partners that we work with to incorporate the Pennies functionality; consumer brand awareness; and the number of Pennies donations. The trustees were particularly pleased to note that, despite the effects of the pandemic, more merchants (11) became new Pennies partners in 2020 compared to any previous year, and the volume of Pennies donations increased by 6% in 2020 to 22.5m, compared to 21.3m donations in 2019, the most we have ever collected in a single year.

Public Benefit and Social Impact

The trustees confirm that, in carrying out their responsibilities and exercising their powers, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission for England and Wales.

As set out in this report, our charitable activities include establishing Pennies to give consumers the option to donate their “digital change” whenever they use cards or other digital payment methods to pay for goods and services. The sums collected are donated to us and we then make grants to registered charities. We do not collect or hold personal data relating to individual donors and our retail partners undertake not to contact them about their donations. We are focused on encouraging consumers to give to charity and supporting the UK charitable sector by raising additional funds through micro-donations.

We are also active in campaigning for merchants and payments technology providers to implement Pennies and to raise public awareness of the ability to donate to charity in this way.

The trustees consider that, as registered charities are required to demonstrate explicitly that their aims fulfil the requirements of public benefit, and as our activities are directed towards making grants to charities which are registered with at least one of the Charity Commission for England and Wales, the Office of the Scottish Charity Regulator, the Charity Commission for Northern Ireland, the Charities Regulatory Authority in the Republic of Ireland, the Association of Jersey Charities, or the Isle of Man Charities Central Registry, our activities are wholly for the public benefit.

In addition, we publish a Social Impact Report to highlight the breadth of causes and charities benefitting from Pennies. The latest report is available on our website at https://pennies.org.uk/our-impact. We also carry out our own monitoring and impact evaluation of the use of the funds by those charities and we regularly publish information on our website relating to the work of the charities that benefit.

As a significant proportion of Pennies’ social value is created by the impact of the micro-donations we enable, we can deduce that significant additional social value will have been created through our work in 2020. In addition, by working with our partners to enable micro-donating we are helping them to fulfil their own social objectives to give back to the communities in which they operate.

Structure, Governance and Management

The Charity is a private company limited by guarantee, registered in England and Wales (number 06418982) and is a charity registered with the Charity Commission for England and Wales (number 1122489), with the Charities Regulatory

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Authority in the Republic of Ireland (number 20106331), and is registered with the Jersey Financial Services Commission as required by The Non-Profit Organisations (Jersey) Law 2008 (the "NPO Law"), and with the Isle of Man Charities Central Registry (number 1275).

The working name for the Charity is "Pennies". The Charity's governing document is the Articles of Association adopted on 6 November 2007 and amended on 12 August 2019 (the Constitution). The Trustees recognise that the Charity Governance Code, updated in December 2020, is designed as a tool to support continuous improvement and will take into account the Code's key principles as the Charity develops.

The liability of the members is limited, and each member agrees to contribute up to £10 in the event of the Charity being wound up. The trustees are the only members of the Charity and they automatically become members on appointment to the Board of Trustees (Board).

The Charity has a wholly owned subsidiary, Your Penny Limited, which is a private limited company registered in England and Wales (registered number 6880306). Your Penny Limited is a dormant company.

The Charity is registered with the Fundraising Regulator and has committed to follow the Code of Fundraising Practice and the Fundraising Promise. In 2020 we received a total of 3 complaints (2019: 4 complaints) which is extremely low in the context of our total number of donations for the year which was 22.5 million (2019: 21.3 million). We responded to and resolved each of these complaints with the complainants.

Trustees

The Constitution requires at least three trustees but there is no maximum number. As set out in the Constitution the trustees have the power at any time to appoint any person who is able and willing to be a trustee. Trustees are appointed for an initial term of three years and may be reappointed by the trustees for further terms of three years. In the event that a Trustee has served in office for three consecutive terms of three years, such Trustee may be reappointed by the Trustees for further terms of three years after the end of their third term in office if 75% of the Trustees resolve that they are reappointed, taking account of the Trustee's contribution to the Board as a whole.

During the year, Peter Ayliffe reached the end of his second term in office and was reappointed for a further 3 year term, and Ian Filby reached the end of his first term in office and was reappointed for a further 3 year term.

When recruiting new trustees, we aim to attract a breadth of skills and diversity commensurate with our stage of development as a growing charity. Board appointments are based on merit and whether a candidate has the skills and knowledge to be an effective trustee and has the ability to support the ambitious donation growth targets set by the Board of Trustees over the short to medium term.

Prior to appointment, trustees receive a comprehensive induction pack which includes the Constitution, background on Pennies and its aims, our *Code of Conduct for Trustees* and *Conflict of Interest Policy* and information about their role and responsibilities. Both new and existing trustees have the opportunity to meet regularly with the Chief Executive, the senior management team and other members of staff, and when required further training is arranged for a trustee as an individual or for the Board as a whole. During the year the Board received regular governance updates.

The following either served as trustees during the financial year or were trustees at the date of this report:

Robert Leitão	Chair
Peter Ayliffe	Audit Committee member
Graham Edwards	Audit Committee Chair
Ian Filby	
Penny Lovell	
Julian Taylor	Audit Committee member
Leigh Thomas	

The trustees, who are collectively responsible for our governance, for ensuring delivery of our charitable objectives and for setting our strategic direction, met five times during the year.

The Board has delegated responsibility to the Audit Committee to monitor the financial performance, financial reporting, and external audit arrangements of Pennies. The Audit Committee met twice during the year.

The Audit Committee has delegated responsibility on behalf of the Board for:

- reviewing the financial statements and the application of appropriate accounting policies; and

- providing oversight of the external audit process by monitoring and reviewing its effectiveness, independence and objectivity.

Matters which are reserved to the Board include appointing the Chief Executive, agreeing our strategy, plans and budget, appointing external auditors and approving key policies such as the risk management and investment policies.

Management and staff

Responsibility for the day-to-day management of Pennies is delegated to the Chief Executive, Alison Hutchinson CBE, within the strategic and accountability frameworks established by the trustees and she is supported by a small team including a number of volunteers.

We support the principles of equality, diversity and inclusion in the Charity Governance Code and take these into account when recruiting trustees, management and staff, balanced with our specific needs as a growing and changing charity. As well as having a female CEO, nearly 30% of our trustees are women. Over time, as we become more established, we expect to see a continuous improvement in the wider areas of equality, diversity and inclusion.

Pay policy for senior staff

The trustees consider that the Board and the senior management team comprise the key management personnel of Pennies responsible for directing, controlling and running it on a day-to-day basis.

All trustees give their time freely and no trustee received remuneration in the year.

Senior staff pay is reviewed annually. Wherever possible, we benchmark salaries paid for comparable roles in the charitable sector adjusting for any additional responsibilities.

Pensions and other benefits

We have a workplace pension scheme and make the minimum statutory contributions for all enrolled employees. Also 1 employee (2019: 1) has employer pension contributions paid by us as part of a salary sacrifice scheme.

There were no additional benefits provided to staff in the year.

Risk Management

The Board recognises its responsibilities for ensuring that an appropriate framework is in place to identify, monitor and mitigate risks to our objectives and has accordingly adopted a Risk Management Policy. The risk management register is reviewed at least annually by the Board. The register identifies the major risks to which Pennies is exposed together with the actions and systems in place to mitigate or reduce the exposure to those risks.

The Covid-19 pandemic has resulted in widespread disruption including significant negative impact on some of our merchant partners. With retail and hospitality hit by successive lockdowns, consumer behaviours have changed with a significant shift from in-person to online shopping. We recognise that this could pose additional significant risks in the short term to the growth of the Pennies movement with:

1 our existing merchants having fewer transactions where consumers can donate;
2 slower adoption of Pennies by new merchants due to changing priorities and staff on furlough;
3 an extended timescale until the Charity becomes sustainable from the retained small percentage of Pennies donations which will require additional core funding; and
4 an increased credit risk in relation to settlement of Pennies donations by merchant partners.

We have therefore put in place mitigants for these additional risks:

1 With a good mix of in-store and online merchants, whilst we experienced a severe curtailment of in-store donating due to retail lockdowns, we saw a significant shift to online donating which resulted in overall donation volumes actually increasing by 6% in 2020 over 2019.
2 We will continue to focus on driving the Pennies movement in ecommerce and other digital options to keep pace with the development of consumer shopping behaviours.
3 Through our 3 year rolling plan we carefully monitor our unrestricted reserves and funding requirements for core costs. Our philanthropic funding plan includes a core of long term funders providing multi-year grants to enable us to plan our financial resources over a 3 year period.
4 We agree settlement timescales with each merchant partner and closely manage adherence to those terms.

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A further consequence of Covid-19 is the possibility that the limit for contactless transactions in store could increase further and possibly to as much as £100. For those merchants where Pennies is only available for Chip & PIN payments and is not yet contactless enabled, this could result in fewer options for their customers to donate. We are addressing this risk by working with technology partners to increase the availability of Pennies in their contactless solutions both in-store and on mobile apps and platforms.

Covid-19 Impact on 2020

In 2020 the scale and speed of the impact from the Covid-19 virus was very much in evidence in Pennies donations since mid-March. This resulted in a negative impact on Pennies donations collected by merchants in their physical stores, but this was in part offset by increased transactions from online merchants. In fact, the share of online donations as a percentage of total donations doubled from 28% in 2019 to 56% in 2020.

The end result was much better than at first expected, with the overall volume of Pennies donations increasing by 6% to 22.5 million compared to 21.3 million in 2019. In terms of value, we collected £5.4m in 2020 against £5.6m in 2019, a slight fall of 4% due the average Pennies donation falling by 2p to 24p in 2020. In addition, we implemented Pennies in more new merchants in 2020 (11) than in any prior year.

During the year we hosted our first virtual event, supported by our friends at Worldpay from FIS, in place of our normal annual event. This was very well received and attracted, for us, a record number of participants.

Throughout this period of upheaval, we have remained fully operational, on a remote working basis, and we are able to continue doing so for as long as is necessary under the current advice from government for staff to work from home if at all possible.

Internal Controls

The trustees have overall responsibility for ensuring that we have in place appropriate financial and other systems and controls to provide assurance that we:

- operate efficiently and effectively;
- safeguard our assets against unauthorised use;
- maintain accurate financial and other records; and
- comply with relevant laws.

The systems of financial control are designed to provide a reasonable but not absolute level of effectiveness and include:

- an operational plan and annual budget;
- review of the risk management register;
- regular monitoring of actual results against budgets and forecasts; and
- delegation of authority to the Chief Executive for expenditure within the agreed budgets.

During the year the trustees met 5 times to review our progress and, where required, approve the following:

- a report from the executive team on progress against plans
- an annual budget and a number of reforecasts during the year, particularly in response to the impact of Covid-19
- regular management accounts highlighting any variances from budget or reforecast.

Financial Review

Since launching in 2010, consumer donations to Pennies have grown substantially, having raised a total of £27.4m from 110m consumer micro donations, from which we have made grants totalling £25.5m to more than 600 charities across a breadth of causes, and retained £1.9m for our own charitable purposes.

We are extremely grateful to the generous donations from individuals, companies and charitable foundations that support our movement and provide funding for our core costs. Over time, as Pennies grows, we aim to become self-sufficient from the small percentage of retained Pennies donations.

The Statement of Financial Activities on page 16 shows total incoming resources of £5,651,334 (2019: £6,157,757) which is analysed in note 2 to the financial statements. This represents a decrease of 8.2% compared to the previous year.

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In 2020 income from Pennies donations fell slightly to £5,377,471 (2019: £5,568,078). Income from Corporates, Foundations and Other Donations fell to £137,609 (2019: £364,145), the details of which can be found in note 2 to the financial statements. Given the urgent need for funding in the Charitable sector caused by the pandemic, and our relatively healthy reserves position, we decided not to seek new sources of core funding during the year to enable those charities with more urgent requirements to maximise their core funding during these unprecedented times.

The Statement of Financial Activities shows total resources expended of £6,153,651 (2019: £6,397,328) which is analysed in note 3 to the financial statements. This represents a decrease of 3.8% compared to last year largely due to a decrease in grants payable. Of the resources expended, £5,877,948 (2019: £5,973,366) was spent directly on charitable activities, the majority in the form of grants to other charities, £219,525 (2019: £378,619) was spent supporting charitable activities, and £56,177 (2019: £45,343) was spent on governance.

At the balance sheet date, we held funds of £1,573,308 (2019: £2,075,625), of which £57,532 (2019: £132,892) is restricted and £1,515,776 (2019: £1,942,733) is unrestricted and available for general use.

All funds not held as tangible or intangible assets, as an investment in the dormant subsidiary Your Penny Limited, or as a debtor or creditor, are held as cash at our bankers (HSBC) either in a current account or in an interest bearing deposit account with instant withdrawal.

Investment Policy

Our investment policy is to retain funds in a liquid form to facilitate meeting the costs incurred in the furtherance of our objectives. Our funds are therefore either held in a current account or in liquid interest bearing bank deposit accounts with our bankers, HSBC. The trustees keep the policy under review to ensure it remains appropriate in light of the expected growth in the short to medium term, of our income.

Reserves Policy and Going Concern

The trustees are aware of the requirement for charities to manage the level of reserves that they hold and to adopt a policy which determines the level of reserves which they believe would be appropriate to maintain.

Our aim is to maintain a general reserve of unrestricted funds equal to at least a minimum of one year's operational expenditure from the date of the balance sheet, and this is forecast to be in the region of £1.2m to £1.4m. At the end of the year the balance of unrestricted funds held was £1.5m, slightly above the target level. It is expected that the balance will gradually fall in 2021 but be maintained within target level during 2021 and beyond.

The trustees have considered the current level of reserves, and the evident sustainability of the Pennies model, in particular over the course of 2020, and have reviewed available liquid resources in the context of the operating and spending plans over the next 18 month period, together with the ability to raise further funds or curtail spending if required.

Based on these considerations, the trustees believe that we have sufficient financial resources to continue in operational existence for the foreseeable future and that we are well placed to manage our operating risks successfully. The trustees have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements. There is no material uncertainty about our ability to continue as a going concern.

Grant Making Policy

The Board has full responsibility for the distribution of all funds under its management.

Recognising the important role of merchants and service providers in enabling us to raise money and make grant payments to other charities via Pennies, the trustees invite them to nominate charities to benefit from a major proportion of the funds they raise provided that the nominees comply with our overall criteria and on-going requirements. These include complying with applicable legislation at all times and provision of impact information in respect of the grants.

All grants made by us are to charities registered with the Charity Commission for England and Wales or the equivalent in Scotland, Northern Ireland, the Republic of Ireland, Jersey or the Isle of Man. The aims of the charities must fall within, or be analogous to, the descriptions of charitable purposes as set out in the Charities Act 2011 and they must be able to demonstrate public benefit as defined by the Charity Commission of England and Wales.

Funding is not available to individuals or unregistered bodies and we will not support charities having the principal objective of the advancement of religion or political activism.

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Charities delivering a wide range of services across a breadth of causes were supported during the year. Our website (www.pennies.org.uk) has information about the charities that we have supported and continues to support. Note 4 to the accounts also gives details of all charities that received a grant in excess of £5,000 during the year or previous year.

We require all the benefitting charities to provide representative information about how grants are used and the difference they make to their beneficiaries. The information is published on our website and also regularly disseminated using social and other media.

Achievement and Performance

In 2020 we celebrated 10 years since Pennies launched in a year like no other. Nevertheless we made good progress in the following areas during the year:

- Despite the lockdowns and retail closures there were more donations made via Pennies than ever before, **22.5m**, an increase of 6% on 2019 when 21.3m donations were made.
- We received our 100 millionth Pennies donation in July 2020.
- We experienced a seismic shift in donation patterns such that **online donations** doubled from 28% in 2019 to 56% in 2020 of all Pennies donations in a year, demonstrating the flexibility of the Pennies model and its ability to '**follow' a customer** in whichever way they choose to pay.
- We launched a public appeal on Facebook and Just Giving for donations that we granted out to charities supporting the pandemic efforts.
- We launched with **more merchants** in a year than ever before (11).
- We launched with our first **Magento 2** and **Salesforce Commerce Cloud** Pennies cartridges.
- We launched our first **Pay-at-table** solution for the hospitality sector.
- We have developed more Pennies **contactless solutions**
- We hosted our first virtual Pennies event in which 199 people participated, a record number of participants for a Pennies event.
- We moved all our operations to remote working from mid-March 2020.
- We published our Social Impact Report 2019/20 (https://pennies.org.uk/our-impact)
- We published our micro-donation report: placing social purpose at the heart of business (https://pennies.org.uk/micro-donations-report-download-your-copy-here)
- We did not avail of the government's furlough scheme for staff in 2020

Details of all the organisations where Pennies is currently available can be found on our website at www.pennies.org.uk.

Plans for future periods

Charities' need for funding has never been greater as they face an estimated £10bn shortfall in their income. Many charities are on the brink of collapse, have been forced to use their reserves and are making staff redundant at a time when their services are in huge demand. Charities are having to do more with less as the economic fallout from the pandemic continues to hit donations as their normal methods of income generation are disrupted.

The devastating impact of Covid-19, and the resulting lockdowns, has undoubtedly acted as a catalyst to speed up consumer digital adoption. With a significant shift towards online it is inevitable that some of these behaviours will become permanent, with digital playing a much more important role.

With an increasing focus on how businesses manage their environmental, social and governance (ESG) efforts by institutional investors, customers and even future employees, businesses are looking at how they manage ESG and one way to give something back to society is to support charities.

Against this backdrop, we are well placed for further growth in 2021. For charities Pennies is potentially a source of incremental funding, for businesses an easy and economic way to put charity at the heart of their customer proposition, and for consumers an easy and affordable way to give to charity without commitment.

In 2021, we will focus on developing more Pennies solutions for online and mobile shopping and with the increase in contactless card payments and expected further increases to the limit for a contactless payment, we will also be focusing on developing more contactless solutions for in-store environments.

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We will continue to develop relationships with existing, and new, charity partners to optimise the social impact of the micro-donation movement.

We are also currently enhancing our systems and are in the process of deploying our new CRM system which should enable us to operate more effectively and accelerate the digital micro-donation movement faster.

Over the longer term we are aiming to fully cover our core costs from a small percentage of the Pennies donations. In the meantime, we will continue to seek funding for core costs from foundations, individuals and other organisations until we reach that point.

The trustees are very grateful to the trusts, foundations, companies and individuals who have given so generously this year, and in previous years, to support Pennies. In particular, the trustees would like to thank our volunteers who support the day-to-day activities of the Charity and the members of our advisory groups who also give their time voluntarily to bring their industry experience to bear in supporting the development of our strategy and the pursuit of our objectives.

Related Parties

Related Party transactions are disclosed in Note 8 to the financial statements.

Statement of Trustees' Responsibilities

The trustees (who are also directors of The Pennies 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions relating to small companies set out in Statutory Instrument 2008/409 under the Companies Act 2006.

Signed on behalf of the Board of Trustees

DocuSigned by:
Robert Leitão
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Robert Leitão
Chairman

19 April 2021

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Independent auditor's report to the Members of The Pennies Foundation

Opinion

We have audited the financial statements of The Pennies Foundation (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which 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 has been prepared in accordance with applicable legal requirements.

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Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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 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 exemption from the requirement to prepare a Strategic Report or in preparing Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 12, 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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

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- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting non-routine correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Fundraising Regulations and the Code of Fundraising Practice. We performed audit procedures to inquire of management whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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

Use of our report

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

DocuSigned by:
RSM UK Audit LLP
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HANNAH CATCHPOOL (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
Date 04-Jun-2021

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The Pennies Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ending 31 December 2020

	Note	Unrestricted £	Restricted £	**2020 Total £**	Unrestricted £	Restricted £	2019 Total £
Income from:							
Donations	2	667,350	4,981,740	**5,649,090**	880,082	5,267,079	6,147,161
Investments	2	2,244	-	**2,244**	10,596	-	10,596
Total income		669,594	4,981,740	**5,651,334**	890,678	5,267,079	6,157,757
Expenditure on:							
Charitable activities	3	1,171,911	4,981,740	**6,153,651**	1,263,141	5,134,187	6,397,328
Total expenditure		1,171,911	4,981,740	**6,153,651**	1,263,141	5,134,187	6,397,328
Net (expenditure) / income for the year	5	(502,317)	-	**(502,317)**	(372,463)	132,892	(239,571)
Transfers between funds		75,360	(75,360)	**-**	-	-	-
Net movement in funds		(426,957)	(75,360)	**(502,317)**	(372,463)	132,892	(239,571)
Reconciliation of funds:							
Total funds brought forward	18a	1,942,733	132,892	**2,075,625**	2,315,196	-	2,315,196
Total funds carried forward		1,515,776	57,532	**1,573,308**	1,942,733	132,892	2,075,625

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18a to the financial statements.

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The Pennies Foundation

Company number 6418982

Balance sheet as at 31 December 2020

	Note	£	2020 £	£	2019 £
Fixed assets:					
Intangible assets	10		**125,540**		14,226
Tangible assets	11		**92,129**		103,183
Investments	12		**1**		1
			217,670		117,410
Current assets:					
Debtors	15	**510,320**		980,734	
Cash at bank and in hand		**2,155,659**		2,417,582	
		2,665,979		3,398,316	
Liabilities:					
Creditors: amounts falling due within one year	16	**(1,310,341)**		(1,440,101)	
Net current assets			**1,355,638**		1,958,215
Total assets less current liabilities			**1,573,308**		2,075,625
Total net assets			**1,573,308**		2,075,625
The funds of the charity:					
Restricted income funds	17		**57,532**		132,892
Unrestricted income funds:					
General funds		**1,515,776**		1,942,733	
Total unrestricted funds			**1,515,776**		1,942,733
Total charity funds			**1,573,308**		2,075,625

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the trustees and authorised for issue on 19 April 2021 and signed on their behalf by

DocuSigned by:
Robert Leitão
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Robert Leitão
Chair

DocuSigned by:
Graham Edwards
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Graham Edwards
Audit Committee Chair

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The Pennies Foundation
Statement of Cash Flows
for the year ending 31 December 2020

	Note	£	**2020** **£**	£	2019 £
Cash flows from operating activities	19		(121,897)		(119,036)
Cash flows from investing activities:					
Interest income		2,244		10,596	
Purchase of intangible fixed assets		(136,320)		(5,712)	
Purchase of tangible fixed assets		(5,950)		(109,359)	
Net cash (used in) investing activities			(140,026)		(104,475)
Change in cash and cash equivalents in the year			(261,923)		(223,511)
Cash and cash equivalents at the beginning of the year			2,417,582		2,641,093
Cash and cash equivalents at the end of the year			2,155,659		2,417,582

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Notes to the financial statements

1 Accounting policies

a) Statutory information

The Pennies Foundation is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is First Floor, 64 London Wall, London, EC2M 5TP

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The Charity has a wholly owned subsidiary, Your Penny Limited, which has not traded since incorporation in 2009 and therefore consolidated accounts have not been prepared on the basis of materiality.

The Charity is a company limited by guarantee. The trustees are also members of the company, a register of which is held at the Charity's business address. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

The financial statements are presented in GBP pounds sterling (£) and all values are rounded to the nearest £, except where indicated.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees have considered the current level of reserves, and the evident sustainability of the Pennies model as demonstrated by the resilience in donation levels in 2020, and have reviewed available liquid resources in the context of the operating and spending plans over the 18 month period to June 2022, together with the ability to raise further funds or curtail spending if required.

Based on these considerations, the trustees believe that we have sufficient financial resources to continue in operational existence for the foreseeable future and that we are well placed to manage our operating risks successfully. The trustees have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Donation and grant income

Donation income is included in the Statement of Financial Activities when the Charity becomes entitled to the resources, the receipt is probable, and the donation is measurable. Gift aid is included based on amounts recoverable at the accounting date.

Grant income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised but the trustees' annual report has more information about their contribution on page 12.

Donated gifts, professional services and donated facilities are recognised upon receipt on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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Notes to the financial statements

1 Accounting policies (continued)

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Unrestricted funds are donations and other incoming resources which are available for use at the discretion of the trustees in furtherance of the general objects of the Charity and which have not been designated for a specific purpose.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the costs of encouraging and facilitating charitable giving using technology supporting microgiving at the point of sale with retail partners, undertaken to further the purposes of the Charity and its associated support and governance costs.

The Charity does not make VAT related supplies and is unable to recover VAT. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Grants payable

Grants payable are made to other charities in furtherance of the Charity's objects. Grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of each activity, comprising salary and overhead costs, is apportioned on the basis of estimated staff time of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the Charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Charity's activities.

l) Operating leases

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

m) Fixed assets

Both tangible and intangible assets with a cost in excess of £500 are capitalised. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold Improvements	Over the life of the lease
Office furniture	8 years
Computer and office equipment	3 years
Intangible assets	Between 3 and 5 years

n) Investments in subsidiaries

Investment in the Charity's subsidiary company, Your Penny Limited, is valued at cost less a provision for impairment. See note 12 for more information.

o) Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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Notes to the financial statements

1 Accounting policies (continued)

q) Foreign Currencies

Foreign currency balances (Euros) have been translated at the rate of exchange ruling at the balance sheet date into sterling. Income and expenditure transactions incurred in foreign currency have been translated during the course of the period at the rate of exchange ruling at the time of the transaction.

r) Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value and subsequently measured at their settlement value.

t) Employee Benefits - terminaton payments

Termination benefits are amounts payable as a result of a decision by the Charity to terminate an individual's employment before the normal retirement date, or an individual's decision to accept voluntary redundancy, and are accounted for on an accruals basis when the Charity is demonstrably committed to the termination of the employment of an individual or group of individuals. The termination benefits for the accounting period are treated as an expense and were £20,000 (2019: £nil).

u) Pensions

The Charity has a workplace pension money purchase scheme for employees operated by The People's Pension. Employees are automatically enrolled into this scheme unless they have exercised their right to opt out of scheme membership. Employees joining the scheme contract directly with The People's Pension. The Charity makes a matching contribution of 5% of salary (2019: 3%) and acts as agent in collecting and paying over contributions. The contributions for the accounting period are treated as an expense and were £11,331 (2019: £11,553). There were no contributions owing at the year end (2019: £nil).

v) Judgements in applying accounting policies and key sources of estimation uncertainty

The trustees have reviewed the accounts and believe there to be no material judgements applied in or estimation uncertainty included in the financial statements.

Notes to the financial statements

2 Analysis of incoming resources

	Unrestricted £	Restricted £	**2020 Total £**	2019 Total £
Voluntary Income				
Consumer donations to Pennies ("Pennies donations")	395,731	4,981,740	**5,377,471**	5,568,078
Corporates and Foundations				
Oak Foundation	100,000	-	**100,000**	100,000
Other donations	37,609	-	**37,609**	264,145
Gift aid received	3,020	-	**3,020**	-
Donated services				
Marketing services	63,020	-	**63,020**	34,242
Other services	50,000	-	**50,000**	46,459
Computer software licences	17,971	-	**17,971**	111,845
Legal Services	-	-	**-**	22,392
	667,350	4,981,740	**5,649,090**	6,147,161
Investment Income				
Bank interest	2,244	-	**2,244**	10,596
	669,594	4,981,740	**5,651,334**	6,157,757

Pennies donations consist of micro donations made by members of the public via Pennies, the digital charity box.

The trustees have agreed to grant a proportion of Pennies donations to charities registered with the Charity Commission for England and Wales or the equivalent in Scotland, Northern Ireland, the Republic of Ireland or Jersey that have been nominated by retailers which offer their customers the opportunity to donate via Pennies. This proportion of Pennies donations is treated as restricted income. All other Pennies donations are unrestricted.

During the year, the Charity collected £40,881 (2019: £26,128) of income from donations in the Republic of Ireland and £8,380 (2019 £5,885) from donations in the Isle of Man.

3 Analysis of expenditure

	Direct Charitable Activities £	Support Costs £	Governance costs £	**2020 Total £**	2019 Total £
Grants payable (note 4)	4,981,740	-	-	**4,981,740**	5,128,187
Staff costs (Note 6)	620,374	167,155	20,997	**808,526**	834,858
Office costs	128,097	34,399	4,323	**166,819**	156,707
Marketing	34,717	-	-	**34,717**	32,327
Auditors remuneration	-	-	25,432	**25,432**	22,760
Insurance	-	-	4,526	**4,526**	4,081
Legal fees	-	-	900	**900**	700
Consultancy fees	-	-	-	**-**	1,200
Volunteer expenses	-	-	-	**-**	850
Technology costs	-	-	-	**-**	720
Donated services & facilities	113,020	17,971	-	**130,991**	214,938
Total expenditure 2020	**5,877,948**	**219,525**	**56,177**	**6,153,651**	**6,397,328**
Total expenditure 2019	**5,973,366**	**378,619**	**45,343**	**6,397,328**	

Of the total expenditure, £1,171,911 was unrestricted (2019: £1,263,141) and £4,981,740 was restricted (2019: £5,134,187).

Expenditure on charitable activities includes costs of:
- facilitating micro-donation using the Pennies digital charity box when consumers pay for goods and services in store, on line and using mobile devices;
- administering the collection of Pennies donations and the disbursement to charities of Pennies grants; and
- promoting the micro donation movement for the charity sector as a whole and specifically publicising the social impact of the Pennies donations.

Notes to the financial statements

4 Grant making

The following grants to charities were payable to institutions during the year:

	2020	2019
	£	£
ABF The Soldiers' Charity	-	9,617
Adnams Community Trust	**20,242**	14,435
Age Concern Norfolk	**4,664**	7,864
Age UK	**55,918**	7,788
Barnardo's	**9,429**	79,253
Barretstown	**37,044**	24,947
BBC Children in Need	**17,085**	30,458
BEN Motor and Allied Trades Benevolent Fund	**13,547**	-
Birmingham Children's Hospital Charity	**75,627**	128,265
Blue Cross	**1,824**	5,496
British Heart Foundation	**115,308**	111,994
British Paralympic Association	**72,598**	-
Bumblebee Conservation Trust	-	6,543
Cancer Research UK	**8,324**	135,525
CATT's (Cancer Awareness for Teens and Twenties)	**18,412**	1,018
Children's Hospices Across Scotland	**5,953**	259
Clic Sargent Cancer Care for Children	**64,218**	45,592
Cornwall Air Ambulance Trust	**2,863**	17,295
Crisis	**1,055**	17,884
Cyclists Fighting Cancer	**4,149**	10,422
Dentaid Limited	**5,081**	1,919
Dorset Mind	**2,319**	13,199
East Anglian Air Ambulance	**3,341**	23,688
Glasgow Children's Hospital Charity	**21,929**	32,971
Grace House North East	**8,344**	755
Great Ormond Street Hospital Children's Charity	**255,374**	464,964
Help for Heroes	**16,395**	93,877
Hendy Foundation	**5,742**	-
Hospice UK	**9,696**	1,146
Isle of Play	**5,839**	4,610
Jersey Children's Charity	**8,599**	5,056
Kent, Surrey and Sussex Air Ambulance	**5,887**	14,520
Leeds Cares	**14,356**	-
Macmillan Cancer Support	**350,566**	862,794
Maggie Keswick Jencks Cancer Caring	**7,867**	93,953
Magpas Air Ambulance	**3,341**	23,688
Make-A-Wish Foundation UK	**33,400**	6,500
Mental Health Foundation	**54,374**	21,714
Multiple System Atrophy Trust	-	18,623
Newcastle upon Tyne Hospitals NHS Charity	**10,879**	15,740
NHS Charities Together	**255,514**	-
Noah's Ark Children's Hospital Charity	**11,917**	17,719
Northern Ireland Hospice	**35,658**	31,124
Papyrus Prevention of Young Suicide	**18,742**	1,923
Rays of Sunshine	**28,395**	5,899
Richard House Trust	**2,732**	9,256
Royal Manchester Children's Hospital	-	25,000
Royal Mencap Society	-	15,801
Scotland's Charity Air Ambulance	**16,193**	95,122
Shooting Star Chase	**35,906**	106,184
Special Olympics GB	**35,906**	56,999
St Peter and St James Hospice	**3,472**	5,711
Stroke Association	**31,269**	4,924
Survivors of Bereavement by Suicide	-	8,799
sub total	**1,827,293**	2,738,833

Notes to the financial statements

carried forward from previous page	**1,827,293**	2,738,833
Target Ovarian Cancer	**47,314**	-
Teenage Cancer Trust	**1,000,540**	789,132
Teens Unite Fighting Cancer	**13,757**	1,425
The Alder Hey Children's Charity	**75,627**	128,265
The Caring Family Foundation	**10,000**	-
The Childhood Trust	**3,218**	19,122
The Children's Hospital Charity	**16,016**	-
The Lincolnshire & Nottinghamshire Air Ambulance Charitable Trust	**3,198**	6,267
The National Society for the Prevention of Cruelty to Children	**20,054**	195,189
The Prince's Trust	**9,696**	1,270
The Royal British Legion	**9,094**	-
The Royal Foundation	**7,154**	71,433
The Royal National Institute of Blind People	**32,767**	105,227
The Save the Children Fund	**-**	57,500
The Screwfix Foundation	**1,486,528**	392,615
Together for Short Lives	**57,031**	105,756
Tommy's	**33,400**	626
Twycross Zoo - East Midland Zoological Society Ltd	**6,349**	7,526
Unicef UK	**45,329**	-
Veterans Garage Limited	**5,613**	-
Wallace & Gromit's Children's Foundation	**75,627**	128,265
Whizz-Kidz	**33,400**	626
Wilderness Foundation UK	**59,594**	156,046
Wolverhampton Wanderers Foundation	**9,590**	3,587
WWF - UK	**7,539**	-
YHA England and Wales	**1,035**	5,485
Yorkshire Wildlife Park Foundation	**1,086**	11,624
Young Dementia UK	**-**	10,717
Youth Cancer Trust	**503**	10,193
Grants payable on accrued donations as at the year end	**11,063**	89,404
Other grants less than £5,000	**72,325**	92,054
Total grants payable	**4,981,740**	5,128,187

The Trustees Report provides more information relating to the Charity's grant making policy.

Grants payable includes a commitment of £1,137,093 (2019: £1,329,643) for grants paid to charities after the year end.

Of the income collected in the Republic of Ireland (see note 2), £37,044 (2019: £24,947) was granted to Barretstown, a charity registered in the Republic of Ireland (number 20027759)

Of the income collected in the Isle of Man (see note 2), £5,839 (2019: £4,102) was granted to Isle of Play, a charity registered in the Isle of Man (number 1245)

5 Net (expenditure) / income for the year

This is stated after charging / (crediting):

	2020	2019
	£	£
Depreciation of tangible fixed assets	**17,004**	10,729
Amortisation of intangible fixed assets	**25,005**	15,641
Operating lease rentals:		
Property	**35,700**	35,942
Other	**516**	1,035
Auditors' remuneration (including VAT):		
Audit fees	**25,432**	22,760

Notes to the financial statements

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020	2019
	£	£
Salaries and wages	**663,024**	700,108
Social security costs	**70,767**	75,064
Employer's contribution to defined contribution pension schemes	**74,575**	36,389
Staff Recruitment costs	**-**	22,820
Other staff costs	**160**	477
	808,526	834,858

The following number of employees received employee benefits of over £60,000 (excluding employer pension costs) during the year in the following ranges:

	2020	2019
	No.	No.
£60,001 - £70,000	**1**	2
£80,001 - £90,000	**2**	1

The total employee benefits of the key management personnel were as follows:

	2020	2019
	£	£
Salaries and wages	**101,755**	127,940
Social security costs	**11,629**	15,385
Employer's contribution to defined contribution pension schemes	**63,245**	25,409
	176,629	168,734

The Charity trustees were neither paid nor received any other benefits from the Charity in the year (2019: £nil). No Charity trustee received payment for professional or other services supplied to the Charity (2019: £nil).

The Charity trustees were neither paid nor received any expenses from the Charity in the year (2019: £352 was paid to 1 trustee in connection with his role as a volunteer). During the year and, up to the date of approval of the Trustees' report, there was a qualifying third-party indemnity in place for directors, as allowed by Section 234 of the Companies Act 2006.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 15 (2019: 15).

Staff are split across the activities of the charitable company as follows (full time equivalent basis):

	2020	2019
	No.	No.
Charitable Activities	**11**	11
Support & Governance	**4**	4
	15	15

Notes to the financial statements

8 Related party transactions

6 (2019: 2) trustees donated a total of £1,500 in the year (2019: £100,250) of which £nil was restricted (2019: £nil).

Alison Hutchinson, the CEO of the Charity, is a non-executive director of the retailer DFS Furniture plc which owns Sofology Limited. During the year Sofology Limited supported the Charity by enabling Pennies in its stores collecting £75,160 (2019: £5,978) for UK charities. At the end of the year Sofology Limited owed the Charity £5,597 (2019: £2,203) for donations collected on its behalf.

Robert Leitão, a trustee, is a managing partner at Rothschild & Co which supported the Charity by providing a research and consultancy service valued at £50,000 (2019: £nil) on a pro bono basis.

There was no bad or doubtful debts provision or expense from related parties.

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Intangible fixed assets

	Systems software £	Other computer software £	**Total £**
Cost			
At the start of the year	-	108,648	**108,648**
Additions in year	75,360	60,960	**136,320**
At the end of the year	75,360	169,608	**244,968**
Amortisation			
At the start of the year	-	94,423	**94,423**
Charge for the year	2,512	22,493	**25,005**
At the end of the year	2,512	116,916	**119,428**
Net book value			
At the end of the year	72,848	52,692	**125,540**
At the start of the year	-	14,226	14,226

All of the above assets are used for charitable purposes.

Notes to the financial statements

11 Tangible fixed assets

	Leasehold Improvements £	Office Furniture £	Office & Computer equipment £	**Total £**
Cost				
At the start of the year	82,822	26,537	18,965	**128,324**
Additions in year	-	-	5,950	**5,950**
At the end of the year	82,822	26,537	24,915	**134,274**
Depreciation				
At the start of the year	6,302	1,964	16,875	**25,141**
Charge for the year	10,803	3,461	2,740	**17,004**
At the end of the year	17,105	5,425	19,615	**42,145**
Net book value				
At the end of the year	65,717	21,112	5,300	**92,129**
At the start of the year	76,521	24,573	2,090	103,183

All of the above assets are used for charitable purposes.

Both the amortisation and depreciation charge for the year are included in unrestricted expenditure on charitable activities in the Statement of Financial Activities

12. Investments

The Charity owns 100% of the issued shared capital of Your Penny Limited, a private limited company registered in England and Wales (registered number 6880306), being £1 share. The investment is valued at £1 (2019: £1) being £1 for the share capital. This is equal to the value of Your Penny Limited's reserves of £1. Your Penny Limited is a dormant company.

13. Financial and other commitments

At 31 December 2020 the Charity had total commitments under non-cancellable operating leases as detailed below:

	Property		Equipment	
	2020 £	2019 £	**2020 £**	2019 £
Less than one year	**66,393**	35,703	**372**	744
One to five years	**241,185**	229,572	**-**	372
	307,578	265,275	**372**	1,116

In 2019, the Charity entered a new lease for office premises commencing on 24 May 2019 and expiring on 31 January 2027

14. Capital commitments

At 31 December 2020 the Charity had total capital commitments as follows:

	2020 £	2019 £
Computer software	**-**	60,960

Notes to the financial statements

15. Debtors

	2020	2019
	£	£
Other debtors	**446,666**	587,088
Accrued income	**12,913**	329,724
Prepayments	**25,804**	38,985
Rent deposit	**24,937**	24,937
	510,320	980,734

Other debtors represent Pennies donations collected and invoiced but not yet paid to the Charity at the year end.

Included in Accrued Income is £nil (2019: £232,892) which represents grants pledged prior to 2020 that were received in the year.

The rent deposit relates to the Charity's lease on office premises entered into during the year, which will be held for more than one year.

16. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	**25,010**	28,190
Amounts due to subsidiary	**1**	1
Taxation and social security	**21,326**	20,533
Grant accruals	**1,137,093**	1,329,643
Other accruals	**126,911**	61,734
	1,310,341	1,440,101

17a Analysis of net assets between funds (current year)

	General unrestricted	Restricted	**Total funds**
	£	£	**£**
Intangible fixed assets	125,540	-	**125,540**
Tangible fixed assets	92,129	-	**92,129**
Investments	1	-	**1**
Net current assets	1,298,106	57,532	**1,355,638**
Net assets at 31 December 2020	**1,515,776**	**57,532**	**1,573,308**

17b Analysis of net assets between funds (prior year)

	General unrestricted	Restricted	**Total funds**
	£	£	**£**
Intangible fixed assets	14,226	-	**14,226**
Tangible fixed assets	103,183	-	**103,183**
Investments	1	-	**1**
Net Current assets	1,825,323	132,892	**1,958,215**
Net assets at 1 January 2020	**1,942,733**	**132,892**	**2,075,625**

Notes to the financial statements

18a Movements in funds (current year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers in/(out) £	**At 31 December 2020 £**
Restricted funds:					
Pennies donations	-	4,981,740	(4,981,740)	-	**-**
CRM system fund	132,892	-	-	(75,360)	**57,532**
Total restricted funds	132,892	4,981,740	(4,981,740)	(75,360)	**57,532**
General funds	1,942,733	669,594	(1,171,911)	75,360	**1,515,776**
Total unrestricted funds	1,942,733	669,594	(1,171,911)	75,360	**1,515,776**
Total funds	2,075,625	5,651,334	(6,153,651)	-	**1,573,308**

The narrative to explain the purpose of each fund is given at the foot of the note below.

The transfer represents the use of the CRM system fund for the capitalised intangible asset (Systems Software) which was purchased using these restricted funds.

18b Movements in funds (prior year)

	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers in/(out) £	**At 1 January 2020 £**
Restricted funds:					
Pennies donations	-	5,128,187	(5,128,187)	-	**-**
CRM system fund	-	132,892	-	-	**132,892**
Events related fund	-	6,000	(6,000)	-	**-**
Total restricted funds	-	5,267,079	(5,134,187)	-	**132,892**
General funds	2,315,196	890,678	(1,263,141)	-	**1,942,733**
Total unrestricted funds	2,315,196	890,678	(1,263,141)	-	**1,942,733**
Total funds	2,315,196	6,157,757	(6,397,328)	-	**2,075,625**

Purposes of restricted funds

Pennies Donations

The Pennies Donations restricted fund represents the proportion of Pennies donations which the trustees have agreed to grant to UK, Republic of Ireland, or Isle of Man registered charities which have been nominated by retailers which offer their customers the opportunity to donate via the digital charity box. The proportion and the nominated charity are named at the point of donation. The movement in this fund is disclosed in note 4 to the financial statements.

CRM system fund

The CRM system fund represents a donation for the implementation of a customer relationship management (CRM) system, partly developed and in use during the year.

Notes to the financial statements

19 Reconciliation of net (expenditure) / income to net cash flow from operating activities

	2020	2019
	£	£
Net (expenditure) for the reporting period (as per the statement of financial activities)	**(502,317)**	(239,571)
Depreciation charges	**42,009**	26,369
Interest from investments	**(2,244)**	(10,596)
Decrease in value of investments	**-**	186
Decrease/(Increase) in debtors	**470,414**	(61,465)
(Decrease)/Increase in creditors	**(129,759)**	166,041
Net cash (used in) operating activities	**(121,897)**	(119,036)

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.