



Pennies!

Annual Report & Financial Statements

2022

Because micro-donations matter.



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)
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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
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Registered Office and Business Address	First Floor 64 London Wall London EC2M 5TP
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Bankers	HSBC Bank plc 94 Kensington High Street London W8 4SH
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Auditors	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB
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Solicitors	Simmons & Simmons LLP Citypoint One Ropemaker Street London EC2Y 9SS
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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 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 Pennies Foundation

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 experience 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.

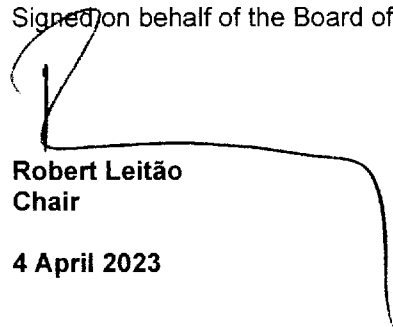
In so far as the trustees are aware:

- 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

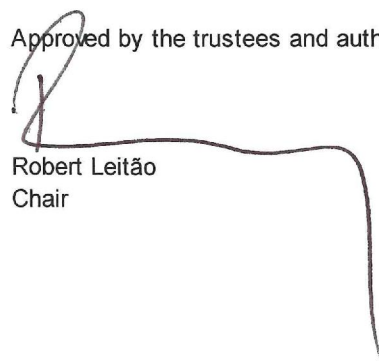
Balance sheet as at 31 December 2022

Company number 6418982

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

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 - termination 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

<i>carried forward from previous page</i>	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 No.	2021 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
	<u>17</u>	<u>15</u>

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	<u>25,260</u>	<u>81,567</u>	<u>179,041</u>	<u>285,868</u>
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	<u>-</u>	<u>34,519</u>	<u>163,152</u>	<u>197,671</u>
Net book value				
At the end of the year	<u>25,260</u>	<u>47,048</u>	<u>15,889</u>	<u>88,197</u>
At the start of the year	<u>-</u>	<u>67,106</u>	<u>29,844</u>	<u>96,950</u>

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.

