

Registered number: 05054312
Charity number: 1104289

The Innocent Foundation
(A company limited by guarantee)

Trustees' Report and Financial Statements

For the Year Ended 30 June 2022

The Innocent Foundation
(A company limited by guarantee)

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The Innocent Foundation
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Reference and Administrative Details of the Charity, its Trustees and Advisers
For the year ended 30 June 2022

Trustees

Adam Balon
Christina Archer
Camilla Knox-Peebles
Douglas Lamont (resigned 24 May 2022)
Jon Wright
Nicholas Canney (appointed 4 July 2022)
Richard Reed
Sarah-Jane Norman

The Innocent Foundation Guardians

Alex Anthony
Alice Wall
Arantxa Calzado
Christiaan van Doornik
Dan Jones
Daniel Angadi
Jiri Staats
Kate Northam
Keith Nelson
Laura Thompson
Leila Dekali
Linda Landin
Lindsey Steven
Luciana Anelli
Lucy Peel
Malin Hjertén
Mayya Marinova
Millie Cooper
Nikoletta Spyropoulou
Sam Woollett
Tariq Khan-Fontain
Tom Burchess
Tom Emberson
Ursi Kotratschek
Werdah Hussain

Employees

Foundation Director	Vanessa Fox Ben Summers Kate Franks	(began 4 January 2021) (Acting – secondment ended 30 September 2021) (returned from maternity leave 28 June 2021, resigned 25 October 2021)
Foundation Portfolio Manager	Amy Recknell Connor Friesen	(maternity leave) (maternity cover)
Senior Development Manager	Laura Polaine	(began 19 July 2021, resigned 31 May 2022)

The Innocent Foundation
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Reference and Administrative Details of the Charity, its Trustees and Advisers
For the year ended 30 June 2022

Address of Charity and Registered Office

The Innocent Foundation
342 Ladbrooke Grove
London W10 5BU

Auditors

UHY Kent LLP t/a UHY Hacker Young
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Bankers

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

Trustees' Report

The Trustees of The Innocent Foundation ("The Foundation"), who are also directors of the charity for the purposes of the Companies Act, are pleased to present their annual report and financial statements for the year ended 30 June 2022.

Trustees

Currently Trustees are elected and appointed on a need basis. As the sole Member of The Foundation, Innocent Limited appoints Trustees in agreement with the Trustees' Board. The Memorandum and Articles of Association support a minimum of three Trustees. Of the seven current Trustees, three Founder Trustees have been on the board since inception in 2004. Sarah-Jane Norman is a current employee of Innocent Limited and Christina Archer and Camilla Knox-Peebles are external appointments. Douglas Lamont was an employee of Innocent Limited, resigning his role at the firm and Foundation during the reporting period (see above). Trustees serve a four-year term, with the option for the Trustees to reappoint. New Trustees attend suitable induction and training with The Foundation Director and existing Trustees to familiarise themselves with the charity, its governance and the context within which it operates.

Management

The Trustees are supported in the day-to-day management of The Foundation by The Foundation Director and Portfolio Manager. During the reporting period, The Foundation employed a Senior Development Manager to provide additional capacity.

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

The Foundation employees' pay and remuneration are set with reference to sector benchmarks and are periodically reviewed against comparable organisations using market data. Pay and benefit changes are approved by the full Trustee Board. The Foundation's employees receive ongoing performance management and an annual feedback report which provides feedback from the Trustees, Foundation Guardians and external grant partners.

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

Legal status

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

Related Parties

The charitable company's sole member is Innocent Limited, and The Foundation is primarily funded through donations from Innocent Limited and its shareholders. The Trustees recognise their charitable responsibilities and state formally that the charity's activities will always be consistent with achieving its objects. Any benefit which may accrue to Innocent Limited from The Foundation's activities will be incidental and outweighed by the contribution to The Foundation's charitable objectives. Please see note 20 for further Related Party transaction details.

Trustees' Report (continued)

Working during the COVID-19 pandemic

We continue to be aware that the COVID-19 pandemic has put additional pressure on our partners and made changes to local operating conditions requiring adaptation. During the reporting period, we have stayed in regular contact with partners to understand any ongoing impact and have offered flexible funding reallocation, the adaptation of project activities and more generous reporting timelines.

We have maintained several new ways of working to manage this dynamic situation, and adapted others.

1. Staying informed and adjusting plans.

As travel restrictions have eased and our monitoring visits have resumed, we have discontinued COVID-19 impact reports with a view to limiting reporting burden for partners. We continue to solicit updates from partners on financial and operational pressures arising from COVID-19, as well as mitigation plans. These written and verbal updates take place during our bi-annual reporting cycle and alert us to necessary adjustments to project plans, budgets and terms.

Where our reviews indicate broader financial pressures on an organisation, we run a 'financial health check' by soliciting further financial details (e.g. unaudited accounts; donor pipeline) and reviewing historical audited accounts to inform our support plans.

2. Flexibility.

During the reporting period, travel restrictions, limits on group activities, and shipping challenges have delayed or changed partners' plans. As a result, during the reporting period we granted a no-cost extension to AfriFarms; a project term extension and budget increase to ALIMA; and we have adapted project milestones with Renewable World and Kickstart International to create the necessary flexibility for partners to continue to pursue their outcomes in changing circumstances.

3. Budget increases.

During the pandemic, The Foundation allocated additional funding where partners requested support for unforeseen project costs such as the purchase of personal protective equipment. In the reporting period we committed an extra £29,516 to ALIMA to cover salary costs during a six-month project term extension.

The Foundation Director maintains delegated authority to add up to £10,000 to an existing grant on three occasions within the financial year, thereby ensuring fast and flexible support for our partners during challenging times.

4. Emergency funding.

The Foundation has not make any further COVID-19 emergency grants during the reporting period, however in accordance with our reserves policy, we have allocated £200,000 which Trustees can utilise in response to future emergencies.

5. Partnership Fund.

Many NGOs have faced financial pressures arising from COVID-19, alongside growing needs within the communities they serve, putting well-run organisations in difficult positions. In November 2020, we launched our Partnership Fund—our most significant COVID-19 response—which used our free reserves to protect the key capabilities of two long-term partners, selected based on financial need and strategic importance to The Foundation's ambitions. This funding was unrestricted but targeted at known partners with plans to make operational or strategic changes to emerge from the COVID-19 crisis better able to deliver on their charitable objectives. Two partners received a grant from our Partnership Fund, Action Against Hunger (£568,000) and Ripple Effect (formerly Send a Cow; £332,000). In both instances, the grant covered anticipated budget deficits, enabling each organisation to forge ahead with their plans.

Both partners made their final reports on use of Partnership Funds in April 2022. Using the funds, Action Against Hunger has maintained a viable level of free reserves and continued work to adapt their fundraising strategy, implementing their 5-year strategy to save the lives of 500k severely malnourished children and helping 9.5m vulnerable people increase their resilience to food crises.

Trustees' Report (continued)

Ripple Effect has implemented their Africa Forward strategy to locate management and coordination roles nearer to the countries and communities they serve. With the help of Partnership Funds, Ripple Effect has reduced their operating deficit and increased their level of free reserves.

Our 2021-22 budget includes a modest (£50,000) allocation for additional Partnership Fund grants but no new grants have been made using this fund.

Risk Management

The Trustees have conducted a review of the major risks to which The Foundation is exposed. Risks are assessed on the basis of their likelihood and potential impact, along with the mitigation strategies in place to manage them in line with the board's risk appetite. They are recorded in a risk register which is regularly reviewed by the Trustees and updated and approved annually. Where appropriate, systems or procedures have been established to manage the risks the charity faces. The Foundation Director continually monitors changes in risk levels or emergence of new risks that may impact upon the organisation and escalates any concerns to the Trustees. The Trustees consider the following to be the key risks that The Foundation faces:

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

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

We encourage open conversation with our partners on their adaptation (ways of working, financing) to pressures arising from the COVID-19 pandemic. We maintain a record of the elevated likelihood of these external financial and organisational risks in our risk register. However, the overall risk output remains amber and does not deviate from the level of risk we can tolerate. We continue to run mitigation activities as described above.

- *Internal financial control failure:* Risks are minimised by the implementation of procedures for authorisation of transactions and projects. An annual review is completed of all processes using the Charity Commission's Internal Financial Controls Checklist. Any findings from our annual external audit are also considered and acted upon.
- *Health and safety of staff and volunteers when visiting projects:* Foundation staff, Trustees and Innocent employee volunteers visit projects around the world most years. To ensure their health and safety, comprehensive guidance is provided and risk assessments are completed before a trip is approved. Pre-trip security briefings are conducted with input from host organisations, FCDO travel advice and external security advisory services. Travellers are required to obtain and comply with independent health advice before departure. Comprehensive travel insurance is in place. International travel resumed in April 2022.

Trustees' Report (continued)

following suspension in March 2020. Trip risk assessments and travel insurance have been reviewed to consider COVID-19 safety.

- *Loss of key staff:* The Foundation usually operates with two employees. Inevitably resources are spread thinly, and detailed knowledge of operations is concentrated. To mitigate this, an operations manual exists to document key resources and processes. This was used during the reporting period to structure inductions for the Senior Development Manager, Foundation Portfolio Manager (maternity cover), and new Foundation Director. Two Finance Guardians are responsible for financial reporting, analysis and managing the annual audit to ensure knowledge and experience is shared.

Objects of the charity

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

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

To achieve our purpose in 2021-22, our grant-making policy states that we will fund work under two interrelated goals:

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

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

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

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

Principal activities of the charity and public benefit

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

Trustees' Report (continued)

Review of charitable activity

During the reporting year, The Foundation received £949,730 in donations (year ending June 2021 - £949,640). In addition, Innocent Limited paid £50,000 to The Foundation as a licence fee. The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

The Foundation gave grants to organisations (detailed below) with total donations amounting to £881,981 in the year (year ending June 2021 - £1,437,535). The Foundation works closely with project partners to ensure the greatest impact of the funds it invests in projects.

The Foundation supported 17 projects during this reporting period. These are listed in the table below. Where projects have reported substantive new outputs during the reporting period which have not been shared in previous reports, further details are shared below. We work in collaboration with our partners to achieve specific project objectives. These objectives are mutually agreed at the outset of each project and are set out in a signed Memorandum of Understanding or Deed of Grant (depending on the size of the grant). Progress against project objectives is monitored through six monthly reports.

Partner	Partner based in (country):	Project in (country):	Total pledged (£):	Paid in reporting period (£):
<i>Action Against Hunger (Partnership Fund)</i>	UK	n/a	£568,000	£nil
<i>Action Against Hunger (SAM Relapse Research)</i>	UK	Mali	£399,939	£99,925
<i>AfriFarms</i>	UK	Kenya	£46,921	£nil
<i>Aga Khan Foundation</i>	UK	Madagascar	£101,550	£36,499
<i>ALIMA</i>	France	DRC	£755,848	£29,516
<i>Concern Worldwide UK (Family MUAC Research)</i>	UK	Kenya	£300,000	£138,835
<i>Concern Worldwide UK (Mother MUAC Research)</i>	UK	Kenya	£122,754	£nil
<i>Empowering Farmers Foundation</i>	Kenya	Kenya	£151,406	£50,964
<i>KickStart International</i>	US	Multiple (SSA)	£360,000	£120,000
<i>myAgro</i>	US	Senegal	£200,000	£66,668
<i>One Acre Fund</i>	UK	Kenya	£150,000	£60,000
<i>Practical Action</i>	UK	Malawi	£160,546	-£6,440
<i>Renewable World</i>	UK	Nepal	£154,166	£54,211
<i>Ripple Effect aka Send a Cow (Push:Pull)</i>	UK	Zambia	£153,827	£17,352
<i>Ripple Effect aka Send a Cow (Partnership Fund)</i>	UK	n/a	£332,000	£nil
<i>Save the Children</i>	UK	Somalia	£600,000	£144,451
<i>Semilla Nueva</i>	US	Guatemala	£150,003	£70,000

Trustees' Report (continued)

Goal 1 Grants

Action Against Hunger UK, Mali (Dec 2021 – Aug 2024): We approved a grant to Action Against Hunger UK (AAH) for a follow-on research project in Mali, to collate data on the rate of relapse amongst children suffering from severe acute malnutrition (SAM) receiving support from a Community Health Worker (CHW) versus those who rely on treatment at a medical facility. Due to external changes to the Mali health system and an uptake in CHW treating children with SAM, the control group for this activity (SAM children being treated at a medical facility) no longer exists. In June 2022, trustees agreed a change to the primary research question to account for these external changes. The project will now focus on gathering evidence on the occurrence of relapse after recovery from SAM in children treated by CHWs using the combined protocol of a Mid Upper Arm Circumference band (MUAC) to identify at-risk children, and treating them by using ready to use therapeutic food (RUTF). Through this new study, AAH aim to show that by combining these two simplified approaches, it results in fewer children relapsing after treatment, and with this, reduces the risk of morbidity and mortality. Furthermore, they hope to evidence lower treatment costs for families and the government and greater cost efficiencies within the national health system. It's hoped with this evidence, AAH can strengthen arguments to the Ministry of Health for the inclusion of combined protocol in the country's primary health care policy and the adoption of the status and salary of CHWs.

Due to the changes in research focus, this project encountered a six-month delay, resulting in a no-cost extension through to August 2023.

ALIMA, Democratic Republic of Congo (Aug 2018 – Jun 2022): We are funding OptiMA, a research project investigating how to optimise acute malnutrition treatment in children aged from 6 to 59 months. It is a community-based randomised nutrition trial of a simplified treatment protocol in Kasai Occidental, Democratic Republic of Congo. The Alliance for International Medical Action (ALIMA) is leading it, working with INSERM at the Université de Bordeaux. The project aims to simplify diagnosis and treatment of acute malnutrition in children without compromising the quality of care. If successful, OptiMA will initiate nutritional support earlier, and give more children access to treatment for a similar cost to the current approach. The OptiMA study concluded its field phase in July 2020. Compared to the national protocol, OptiMA treated 30% more children using 20% less therapeutic food, with significantly better weight, muscle and sub-cutaneous fat gain over six months. In 2021 The Foundation granted an additional £129,869 to support ALIMA to complete added analysis on the wealth of data collected. Followed in January 2022 by another commitment of £29,516 to support the salary costs of the scientific project lead, to manage the publication into several peer-reviewed papers and the presentation of findings at two conferences in Dakar and Kinshasa.

Concern Worldwide, (Mar 2022 – Oct 2023): The project 'Building the evidence on Family MUAC: a study of its effectiveness and cost-effectiveness,' builds on our previous project success with Concern in North Horr in Northern Kenya, training mothers in pastoralist communities to use MUAC bands to screen their children, as an alternative strategy to the standard approach using Community Health Volunteers (CHVs), to improve early detection, referral and prevention of malnutrition among children under-five. The operational study showed mothers had the capacity and motivation to accurately and routinely measure and refer their children for treatment. These results reinforced the need to scale up the Family MUAC approach in similar ASAL contexts that report high cases of acute malnutrition, but for the National and County Governments to commit resources for scale up, more evidence is required on the effectiveness and cost effectiveness of this approach. This project aims to address that evidence gap by introducing the Family MUAC approach into standard CHV led screening and referral for acute malnutrition in Marsabit County, where coverage of children suffering SAM remains below the standard for emergencies, and far below what would be expected for a health service for children under-five. By comparing this novel, integrated approach to the current status quo which relies solely on CHVs to screen and refer children at community level, Concern aims to generate practical evidence and recommendations to help the Kenyan health authorities make informed plans to cost and scale up the Family MUAC approach.

Save The Children, Somaliland (Apr 2022 – May 2024): This project, 'Shifting the Dial in Acute Malnutrition: part of Save the Children's Global Malnutrition Initiative' is specifically focusing on using a simplified combined approach for treatment of acute malnutrition and an integrated community case management platform

Trustees' Report (continued)

(iCCM+) for acute malnutrition treatment. Analysis in 2019 found that only 18.7% of children with severe acute malnutrition in Somaliland were enrolled in treatment despite 79% of facilities offering SAM treatment. The report highlighted a clear need to bring treatment closer to children. This study will do this by working with community female health workers (FHWs) to pilot adding treatment for acute malnutrition into integrated community case management (iCCM+). This means communities who struggle to access health centres and facilities can get the treatment they need closer to home. Through this new study Save the Children aims to directly address barriers of affordability, accessibility, and availability, by moving treatment services to the community level and delivering them through existing trusted community agents, namely FHWs and empowering caregivers to identify malnutrition in their own children sooner through training on Family-led MUAC. This effectiveness trial will test the impact of a comprehensive package on coverage, treatment outcomes and cost effectiveness to determine if this is an appropriate approach to scale up at a national level.

Goal 2 Grants

AfriFarms, Kenya (extended to April 2022 – May 2023): The Foundation is funding AfriFarms to design and test a lightweight, solar-powered fridge. In Tana River County, Kenya, fisherfolk find that the fish they catch in the morning are no longer fresh by the afternoon; meaning they are either not edible or of a poor nutritional content. This means a reduced income and a poorer diet for struggling communities. A fridge helps fish stay fresh, remain edible and fetch a higher price when it comes to selling at market. The project will test fridges with 50 fishermen and women, gathering data on usage, temperature, location, income and other metrics to assess the viability of the fridges for wider roll-out. The start of this project has been delayed from July 2020 to 1 April 2022 due to COVID-19. During the reporting period, AfriFarms have constructed 25 fridges and relocated the project from Lake Naivasha to Tana River Country on a relative need basis.

Aga Khan Foundation, Madagascar (Jul 2019 – Jul 2023): The Foundation is funding the Aga Khan Foundation's project to promote better rice growing practices as rice grown locally doesn't meet national demand and must be supplemented with rice imports. The SPEEDRICE project trains farmers to grow more, better quality rice using something called the Zanatany Rice Permaculture System (ZRPS). ZRPS combines a series of techniques in rice growing, including labour-saving and climate-smart techniques. This project aims to help 20,000 farmers grow up to 50% more rice. By the end of June 2022, 21,543 farmers had been trained, with 73.7% of farmers putting ZRPS training into practice. Extreme weather had a large impact on rice farming in Madagascar during the reporting period but the yields of ZRPS farmers remained at- or well-above historical averages, depending on location, ranging from 1.5 tons per hectare to 6.6 tons per hectare. We are proud to report that the Aga Khan Foundation has won funds from European state donors to scale up this method in Madagascar's central plateau.

Empowering Farmers Foundation, Kenya (Jun 2022 - Jul 2025): The Foundation is supporting the Empowering Farmers Foundation (EFF) to revive cashew farming and introduce finger millet intercropping in Kilifi County, Kenya, where cashew farming has declined due to powdery mildew, mealy worm, and aging tree stock. EFF will grow and distribute a higher-yielding cashew variety which is brand new to Kenya; provide extension services and support to maintain existing trees while introducing finger millet, a healthy staple; and promote the leadership and interests of a farmers' cooperative to secure good prices on the cashew cash crop. EFF will work with 3,300 farmers and aims to improve both household income and health.

KickStart International, multiple countries (Mar 2021 to Feb 2024): Having supported research and development of KickStart's Starter Pump, this grant aims to help KickStart launch the pump across Sub Saharan Africa where climate change is negatively impacting rainfall, and rain-fed crops. During the three-year programme, KickStart hopes to work with 81 partners and 69 agri-dealers to distribute 12,000 pumps across Kenya, Zambia, Malawi, South Sudan, Uganda, Rwanda, Mozambique and Nigeria. The project will also test different ways of reaching smallholder farmers (new financing models, entrepreneurship training, subsidies) and evaluate interventions using an impact study to understand how farm yields and income changes over time. From project launch to the end of March 2022, Kickstart has sold 1,400 pumps through active partnerships with 25 agri-dealers and 11 other organisations (non-profits; SACCOs). 84% of farmers surveyed had increased yields after beginning use. Global shipping delays have delayed project launches in all countries excl. Kenya, Rwanda and Uganda. Remaining launches are now planned for 2023.

Trustees' Report (continued)

myAgro, Senegal (Jan 2020 – Dec 2022): myAgro is a non-profit social enterprise that reaches smallholder farmers through a network of Village Entrepreneurs, encouraging them to save up their own funds to invest in high-quality seed, fertiliser, tools and agricultural training packages to significantly increase their yields and income. Using mobile phone scratch cards and mobile money, farmers can save up small amounts of money each week towards a complete package of agricultural inputs delivered just in time for planting. With our funding, myAgro is expanding in Senegal and testing new vegetable packages for farmers, especially women farmers, in the Casamance region. From project launch to the end of January 2022, myAgro has enrolled a total of 87,014 farmers (45,152 farmers in 2021 and 41,862 in 2022), surpassing their 70,000 target. myAgro's 2021 impact evaluation shows farmers in Senegal, on average, growing 221% more food and earning \$255 in additional income compared to a control group. This is all part of their 'North Star' aim to help 1 million small-scale farmers to increase their income by \$1.50 per day by 2026.

One Acre Fund, Kenya (Jun 2022 - Jul 2024): The Foundation is supporting One Acre Fund to market Kickstart's irrigation pumps to smallholder farmers across Kenya via 'irrigation agents'. In Kenya, and across much of SSA, many smallholder farmers rely on rain-fed agriculture. Rains are becoming less reliable in a changing climate, impacting yields and income. In this context, irrigation pumps are valuable but costly and, with the price of other farm inputs on the rise, farmers may hesitate to invest. One Acre Fund aims to enable farmers to take the leap into irrigation with a 'rent-to-try-and-buy' model. They have the ambitious aim of engaging 192,880 farmers through 12,055 agents to make 28,932 pump sales during the project term.

Practical Action, Malawi (Feb 2020 – Oct 2021): In the Balaka District, 70% of farmers save seeds from their harvest to re-plant the next year. Practical Action has worked to breathe new life into this age-old practice, alongside local partners and scientists by encouraging farmers to use traditional, local and climate-resilient seeds. This project closed early in October 2021 following the closure of Practical Action's Malawi office. Learning from this experience, we work to remain sensitive to financial pressures faced by the organisations we support in the wake of the COVID-19 pandemic. We will continue to monitor financial reports for risk and maintain an open dialogue to adapt projects where necessary. From launch to project close, Practical Action trained 30 Lead Farmer who trained a further 720 farmers on seed selection and multiplication, alongside soil and water conservation practices (against a target of 750). Further, 135 PICS storage bags were distributed to project participants at the project close.

Renewable World, Nepal (Mar 2020 – Oct 2023): We are helping Renewable World tackle hunger in Nepal using innovative plastic bag biodigesters. 50 million homes around the world use biodigesters as a healthy alternative to coal, wood or dung for cooking. Renewable World wants these households to benefit even more, by making organic fertiliser as by-product of generating biogas. Organic material is added to the biodigester and is broken down by bacteria in an oxygen-free environment to create biogas, a cheap source of renewable energy replacing more expensive and harmful fuels. The slurry that's left over can be turned into highly productive organic fertiliser and used to grow food crops. It's a great way of solving multiple problems at once, bringing long term change to Nepal's hungry by improving farming, strengthening livelihoods and producing clean energy. This project aims to improve yield in 50% of households in 12 rural communities through this project. From project launch to March 2022, bag digesters have been installed at 9 sites and are producing gas and slurry. 782 individuals have received training to improve agricultural outputs. This project has experienced further delays—especially to establishing a local supply chain and market for the bag digesters—which Renewable World attributes to COVID-19. As a result, we have agreed a budget rephrase following the end of this reporting period.

Ripple Effect (formerly Send a Cow), Zambia (Aug 2019 – Jan 2022): Pests eating valuable crops prevent hungry people harvesting the food they have grown and getting the nutrition they need. We worked with Ripple Effect, who changed their name from Send a Cow this year, to protect Zambia's cereal crops from pests like Stemborer moths, parasitic Striga weed and Fall Armyworm. Ripple Effect aimed to train 500 farmers in the 'Push:Pull' approach, intercropping Desmodium and Napier grass to protect cereal crops from pest damage and yield losses. As the grasses can also be used for animal fodder, this aimed to improve livestock productivity. By the project close, Ripple Effect had reached its target of training 500 farmers. Uptake from farmers was relatively low following the training, with only 13% of farmers using one or both plants to control pests. Ripple Effect attributes this to challenges meeting demand for seed/seedlings mid-project owing to sporadic rains, and a short project term disrupted by COVID-19. Nevertheless, an external

Trustees' Report (continued)

review by Total Land Care reports improved food security in 60% of trained households and improved livestock care practices in 61%. Outcomes from this project have affirmed our Foundation's commitment to supporting rain-fed smallholders with hand-powered irrigation. Ripple Effect has shared learning with project teams in Zambia, Kenya and Uganda through a formal cross-country learning forum resolving, for instance, to foreground the benefits of both plants as livestock fodder in future marketing to farmers.

Semilla Nueva, Guatemala (Oct 2020 – Jul 2023): In Guatemala corn accounts for 50% of rural diets and the country has the world's sixth highest rate of malnutrition. Today, 46% of children suffer from stunting and 70% of farming families live in poverty. Semilla Nueva has produced a biofortified seed that yields more corn and better-quality corn, for a lower cost to farmers. Their corn has 39% more zinc (in Guatemala a third of children are zinc deficient) and 19% more iron (another common deficiency in Guatemala). Semilla Nueva is using our funding to help incentivise local commercial producers to add biofortified seed to their portfolio. This enables the seed to reach even more families while preserving the low price point for farmers. During this project Semilla Nueva plans to improve the climate resilience and incomes for 29,000 farmers with their biofortified seed thereby improving nutrition for 7 million people in Guatemala, while refining the best way to partner with the private sector as a precursor to national roll-out. Ultimately, Semilla Nueva would like to see the government incentivise wider distribution of biofortified corn.

In the six months to June 2022, Semilla Nueva has reached 10,607 farming families (compared to 12,663 throughout 2021). 72,000 family members are consuming biofortified seed and seed has been sold on to 278,500 others for consumption. Semilla Nueva continues to refine their seed, improving on issues (size, colour, germination humidity) and continues to pursue their ambitious target with confidence.

Partnership Fund Grants

Context: The Innocent Foundation partnership fund 2020 sought to extend material support to a small number of its existing, strongly aligned partners whose income and operations were severely affected by COVID-19 to ensure they emerged from the pandemic in a good position to forge ahead with their purpose. It was decided that the funding would be one-off and would be granted without the usual restrictions.

Action Against Hunger (Oct 2020 - Apr 2022) AAH has remained a viable organisation throughout the pandemic, with support from our partnership funding. Their success is partially reflected in their Q4 2021 opening reserves of £1.74m, an increase of £917k against pre-partnership fund forecasts. They have achieved their proposed milestones including, building a 5-year strategy focused on saving lives of 500,000 SAM children; helping 9.5m vulnerable people to improve their livelihoods and their resilience to food crises; and agreeing a long-term organisational commitment to significantly develop their individual giving income stream.

Ripple Effect (formerly Send a Cow) (Oct 2020 – Apr 2022) Ripple Effect has, with our support, been able to remain viable and financially stable. They closed the 2021 financial year with unrestricted reserves of £1.07m, a slight increase. We also provided support for Ripple Effect's Africa Forward strategy which has seen the transfer of core aspects of their work from the UK to a regional hub in Kenya. This project is successfully strengthening senior representation in Africa. Partnership funding has allowed Ripple Effect to establish a designated reserve to be used for catalytic investment—providing 'seed' funding for follow-on projects in Kenya and Ethiopia. This has helped Ripple Effect to ensure sustainability and to pursue their partnership approach, whilst also aligning with our own goal 2 strategic priorities.

Trustees' Report (continued)

Investment and reserves policy

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

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

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

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

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

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

At the end of the reporting year, our total funds held were £2,335,989 (year ending June 2021 - £2,421,049). Of this, £1,114,235 represents future funding commitments which we will pay out to our current grant partners in six monthly instalments over the remaining period of signed grant agreements, subject to formal reporting of satisfactory progress against project objectives. The balance £1,221,754 is uncommitted reserves. This meets the requirements of our stated reserves policy.

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

Going Concern

Trustees have reviewed our finances, risks, future commitments and projected income and conclude that The Foundation has adequate resources to continue in operational existence for at least twelve months from the signing of this report and financial statements. Trustees have reviewed The Foundation's risk register and have not identified existing or new material uncertainties that, individually or collectively, may cast significant doubt on The Foundation's ability to continue as a going concern for a period of at least twelve months. The Foundation remains committed to delivering its core charitable objectives through grant giving, using funds from our donor's annual donation. Should circumstances change, Trustees remain confident that The Foundation could continue to satisfy its reserves policy to maintain cumulative committed income above cumulative committed expenditure during a wind-down period as described above, provided discretionary 'exceptional-circumstances' funding (£200,000) is re-allocated to active grant commitments.

Trustees' Report (continued)

Future plans

In 2022-23, we will continue to pursue the twin goals identified in our 2018 strategic review:

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

To achieve these goals, we will focus our time, money and expertise on making fewer, bigger, riskier grants to fund world class innovation. We'll continue our search for partners, from UK-based charities to organisations from around the world, who may be charities, but could also be universities, research institutes, or other innovators, who need our support to test and scale their great ideas. We will continue our policy of spending down our reserves over the coming year in pursuit of our goal 1 and goal 2 ambitions.

This year will bring us to the end of our current strategy cycle, and we plan to launch a refreshed strategy by the close of the financial year (June 2023). In preparation for this, we are consulting current and prospective partners, researchers and donors from across our network in both public and private fora.

Events following year-end

Nick Canney, CEO of our donor Innocent Limited was appointed as a Trustee on 4 July 2022, replacing Douglas Lamont. Amy Recknell, Portfolio Manager returned from maternity leave on 3 August 2022.

Disclosure of information to auditors

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

- a) there is no relevant audit information of which the auditors are unaware and,
- b) that they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Small companies exemption

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

Approved by the trustees and signed on their behalf by:



Jonathan Wright
Trustee

Date: 15 March 2023

The Innocent Foundation
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the Year Ended 30 June 2022

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:



Jonathan Wright
(Chair of Trustees)

Date: 15 March 2023

The Innocent Foundation
(A company limited by guarantee)

Independent Auditors' Report to the Members of The Innocent Foundation

Opinion

We have audited the financial statements of The Innocent Foundation (the 'charity') for the year ended 30 June 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

The Innocent Foundation
(A company limited by guarantee)

Independent Auditors' Report to the Members of The Innocent Foundation (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

The Innocent Foundation
(A company limited by guarantee)

Independent Auditors' Report to the Members of The Innocent Foundation (continued)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

How the audit was considered capable of detecting irregularities, including fraud:

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

- we identified the laws and regulations applicable to the charity through discussions with management, and from our commercial knowledge and experience in the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charitable company, including the Charities Act 2011 and the Companies Act 2006;
- we assessed the extent of the compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

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

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

The Innocent Foundation
(A company limited by guarantee)

Independent Auditors' Report to the Members of The Innocent Foundation (continued)

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

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

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Allan Hickie BSc FCA (Senior statutory auditor)

for and on behalf of
UHY Kent LLP
Chartered Accountants
Statutory Auditors
Thames House
Roman Square
Sittingbourne
Kent
ME10 4BJ

Date: *20 March 2023*

The Innocent Foundation
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 30 June 2022

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies	3	949,730	949,730	949,640
Investments	4	51,025	51,025	50,215
Total income		1,000,755	1,000,755	999,855
Expenditure on:				
Charitable activities	5	1,085,815	1,085,815	1,581,554
Total expenditure		1,085,815	1,085,815	1,581,554
Net movement in funds		(85,060)	(85,060)	(581,699)
Reconciliation of funds:				
Total funds brought forward		2,421,049	2,421,049	3,002,748
Net movement in funds		(85,060)	(85,060)	(581,699)
Total funds carried forward	13	2,335,989	2,335,989	2,421,049

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 32 form part of these financial statements.

The Innocent Foundation
(A company limited by guarantee)
Registered number: 05054312

Balance Sheet
As at 30 June 2022

	Note	2022 £	2021 £
Current assets			
Debtors	10	1,000,090	16,335
Cash at bank and in hand		1,596,188	2,415,169
		<u>2,596,278</u>	<u>2,431,504</u>
Creditors: amounts falling due within one year	11	(260,289)	(10,455)
Net current assets		2,335,989	2,421,049
Total assets less current liabilities		<u>2,335,989</u>	<u>2,421,049</u>
Net assets excluding pension asset		2,335,989	2,421,049
Total net assets		<u><u>2,335,989</u></u>	<u><u>2,421,049</u></u>
Charity funds			
Restricted funds	13	-	-
Unrestricted funds	13	2,335,989	2,421,049
Total funds		<u><u>2,335,989</u></u>	<u><u>2,421,049</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Jonathan Wright
 (Chair of Trustees)

Date: 15 March 2023

The notes on pages 22 to 32 form part of these financial statements.

The Innocent Foundation
(A company limited by guarantee)

Statement of Cash Flows
For the Year Ended 30 June 2022

	2022	<i>2021</i>
	£	£
Cash flows from operating activities		
Net cash used in operating activities	(820,006)	<i>(640,062)</i>
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	1,025	<i>215</i>
	<hr/>	<hr/>
Net cash provided by investing activities	1,025	<i>215</i>
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(818,981)	<i>(639,847)</i>
Cash and cash equivalents at the beginning of the year	2,415,169	<i>3,055,016</i>
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	<u>1,596,188</u>	<u><i>2,415,169</i></u>

The notes on pages 22 to 32 form part of these financial statements

The Innocent Foundation
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 30 June 2022

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Innocent Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

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

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Investment income comprises licence fees receivable by the Foundation that relate to the exploitation of intellectual property rights. Such fees are recognised in the accounts in accordance with the substance of the relevant agreement.

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

Donated services

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

2. Accounting policies (continued)

2.4 Expenditure

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

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
- It includes grant instalments that have been paid to the partners subject to their adherence to their memorandum of understanding. Grants are charged to the Statement of Financial Activities when an unconditional commitment has been made to provide the grant. Grant commitments made with conditions attached are not recognised as a liability, but are disclosed within the Grant Commitments note in the accounts (note 18).
- It also includes costs of an indirect nature necessary to support the activities.

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

2.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities.

2.6 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge has arisen during the year.

2.7 Intangible assets

The Foundation is the beneficial owner of the name 'The Innocent Foundation' and Logo. In accordance with the requirements of the Charities SORP, the cost of internally generated intangible assets such as brands and logos have not been capitalised by the Foundation and have been written off as expenditure at the time incurred.

2.8 Debtors

Other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

The Innocent Foundation
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 30 June 2022

2. Accounting policies (continued)

2.9 Cash at bank and in hand

Cash at bank and 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.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.11 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

3. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	949,730	949,730	949,640
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2021</i>	949,640	949,640	
	<hr/> <hr/>	<hr/> <hr/>	

The Innocent Foundation
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 30 June 2022

4. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Licence fee	50,000	50,000	50,000
Bank interest	1,025	1,025	215
	<u>51,025</u>	<u>51,025</u>	<u>50,215</u>
<i>Total 2021</i>	<u>50,215</u>	<u>50,215</u>	

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £	<i>Total 2021 £</i>
Hunger alleviation	1,085,815	1,085,815	1,581,554
<i>Total 2021</i>	<u>1,581,554</u>	<u>1,581,554</u>	

6. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Hunger alleviation	151,128	881,981	52,706	1,085,815	1,581,554
<i>Total 2021</i>	<u>106,428</u>	<u>1,437,535</u>	<u>37,591</u>	<u>1,581,554</u>	

The Innocent Foundation
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 30 June 2022

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs (note 8)	151,128	106,428

Analysis of support costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs (note 8)	37,184	30,340
Auditor's remuneration - audit of the Charity's annual accounts	6,300	5,790
Governance costs	9,222	1,461
	<u>52,706</u>	<u>37,591</u>

Governance costs incurred in the year comprise professional charges for advice provided to Trustees and professional subscriptions (2021: professional charges and website charges).

7. Analysis of grants

	Grants to Institutions 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Grants payable	881,981	881,981	1,437,535
<i>Total 2021</i>	<u>1,437,535</u>	<u>1,437,535</u>	

The Charity has made the following material grants to institutions during the year:

The Innocent Foundation
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 30 June 2022

7. Analysis of grants (continued)

	2022	<i>2021</i>
	£	£
Name of institution		
Action Against Hunger (Mali)	99,925	-
Action Against Hunger (UK - Partnership fund)	-	568,000
Aga Khan Foundation (Madagascar)	36,499	-
ALIMA (Democratic Republic of the Congo)	29,516	218,286
Concern Worldwide (Kenya)	138,835	-
Empowering Farmers Foundation	50,964	-
Kickstart International (Kenya)	-	26,544
Kickstart International (Kenya, Malawi, Mozambique, Nigeria, Rwanda, South Sudan, Uganda, Zambia)	120,000	70,000
myArgo (Senegal)	66,668	66,666
One Acre Fund	60,000	-
Practical Action (Malawi)	(6,440)	42,546
Renewable World (Nepal)	54,211	39,101
Save the Children	144,451	-
Semilla Nueva (Guatemala)	70,000	30,000
Send a Cow (UK - Partnership fund)	-	332,000
Send a Cow (Zambia)	17,352	44,392
	<u>881,981</u>	<u>1,437,535</u>
	<u>881,981</u>	<u>1,437,535</u>

8. Staff costs

Staff are employed by Innocent Limited, who recharge the Foundation with the total related costs. The pension scheme is also administered by that company.

	2022	<i>2021</i>
	£	£
Wages and salaries	164,608	114,837
Social security costs	16,705	15,093
Contribution to defined contribution pension schemes	6,999	6,838
	<u>188,312</u>	<u>136,768</u>

The Innocent Foundation
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 30 June 2022

8. Staff costs (continued)

The average number of persons employed by the Charity during the year was as follows:

	2022	<i>2021</i>
	No.	<i>No.</i>
Staff	4	5

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity comprise the trustees and the senior management team. The total employee benefits (including social security costs and employer pension contributions) of the key management personnel were £43,050 (2021 - £Nil).

Allocation of staff costs

Staff costs are apportioned between direct grant management costs and support costs on a 80:20 ratio, on the basis of time spent.

	2022	<i>2021</i>
	£	<i>£</i>
Direct costs in support of grant management	151,128	106,428
Support and governance costs	37,184	30,340
	<u>188,312</u>	<u>136,768</u>

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 30 June 2022, no Trustee expenses have been incurred (2021 - £NIL).

10. Debtors

	2022	<i>2021</i>
	£	<i>£</i>
Due within one year		
Other debtors	1,000,090	16,335
	<u>1,000,090</u>	<u>16,335</u>

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Notes to the Financial Statements
For the Year Ended 30 June 2022

11. Creditors: Amounts falling due within one year

	2022	<i>2021</i>
	£	£
Accruals and deferred income	50,840	10,455
Grants accrued - institutional	209,449	-
	<u>260,289</u>	<u>10,455</u>

12. Financial instruments

	2022	<i>2021</i>
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	1,596,188	2,415,169
	<u>1,596,188</u>	<u>2,415,169</u>

Financial assets measured at fair value through income and expenditure comprise the value of cash held at bank.

13. Statement of funds

Statement of funds - current year

	Balance at 1			Balance at
	July 2021	Income	Expenditure	30 June
	£	£	£	2022
				£
Unrestricted funds				
General Funds	2,421,049	1,000,755	(1,085,815)	2,335,989
	<u>2,421,049</u>	<u>1,000,755</u>	<u>(1,085,815)</u>	<u>2,335,989</u>

Statement of funds - prior year

	<i>Balance at</i>			<i>Balance at</i>
	<i>1 July 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>30 June</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>2021</i>
				<i>£</i>
Unrestricted funds				
General Funds	3,002,748	999,855	(1,581,554)	2,421,049
	<u>3,002,748</u>	<u>999,855</u>	<u>(1,581,554)</u>	<u>2,421,049</u>

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Notes to the Financial Statements
For the Year Ended 30 June 2022

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Current assets	2,596,278	2,596,278
Creditors due within one year	(260,289)	(260,289)
Total	<u>2,335,989</u>	<u>2,335,989</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Current assets	2,431,504	2,431,504
Creditors due within one year	(10,455)	(10,455)
Total	<u>2,421,049</u>	<u>2,421,049</u>

15. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(85,060)	(581,699)
Adjustments for:		
Dividends, interests and rents from investments	(1,025)	(215)
Increase in debtors	(983,755)	(16,335)
Increase/(decrease) in creditors	249,834	(41,813)
Net cash used in operating activities	<u>(820,006)</u>	<u>(640,062)</u>

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Notes to the Financial Statements
For the Year Ended 30 June 2022

16. Analysis of cash and cash equivalents

	2022	<i>2021</i>
	£	£
Cash in hand	1,596,188	2,415,169
Total cash and cash equivalents	<u>1,596,188</u>	<u>2,415,169</u>

17. Analysis of changes in net debt

	At 1 July	Cash flows	At 30 June
	2021	£	2022
	£	£	£
Cash at bank and in hand	2,415,169	(818,981)	1,596,188
	<u>2,415,169</u>	<u>(818,981)</u>	<u>1,596,188</u>

18. Grant commitments

At the year end the charity had committed £1,114,235 (2021 - £684,162) of funding to support identified organisations by the end of 2024. The funding is dependent upon those organisations meeting specific performance criteria. As such, these have not been recognised as a liability in the accounts. These commitments will be funded from unrestricted reserves.

19. Pension commitments

The Foundation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Foundation in an independently administered fund. The pension cost charge represents contributions payable by the Foundation to the fund and amounted to £6,998 .

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Notes to the Financial Statements
For the Year Ended 30 June 2022

20. Related party transactions

Innocent Limited ('the company') and its shareholders donated £950,000 to The Foundation during the 12-month period to 30 June 2022 (2021 - £950,000). In addition, Innocent Limited paid The Foundation £50,000 (2021 - £50,000) for a licence fee which allows the company to use The Foundation's logo with limitations. These amounts were communicated to the Foundation, but received subsequent to the Balance Sheet date. Accordingly £1,000,000 is included in debtors (2021: £16,335).

During the year Innocent Limited incurred £188,312 (2021 - £136,768) in respect of employment costs. As staff seconded from the company to the Foundation spend 100% of their time running The Foundation, this was recharged to The Foundation and at year-end £38,414 (2021 - £3,733) was outstanding and owed to Innocent Limited.

Innocent Limited donates other services to the Foundation, such as the use of office space and other incidental administrative expenses. It has not been considered possible to reliably estimate the value of the contribution to the Foundation and accordingly these costs have not been included in these financial statements.