

The Innocent Foundation (a company limited by guarantee)

Report and Financial Statements

Year Ended

30 June 2019

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Administrative Details

Trustees

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

The Innocent Foundation Guardians

Ash Wichremaratchi
Chris Fielden
Emma Bisgrove
Jimmy Long
Jon Few
Kate Telford
Laura O'Connell
Leila Dekali
Louis Varney
Louisa Handley
Mayya Marinova
Nikoletta Spyropoulou
Rhian Williams
Shannon O'Malley
Tim Casey
Tom Burchess

Employees

Kate Franks (Foundation Director)
Amy Recknell (Foundation Portfolio Manager)

Auditors

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

Bankers

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

Trustees' Annual Report

Address of Charity and Registered Address

The Innocent Foundation
342 Ladbroke Grove
London W10 5BU

The Trustees of The Innocent Foundation ("The Foundation"), who are also directors of the charity for the purposes of the Companies Act, are pleased to present their annual report and financial statements for the year ended 30 June 2019.

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 six current Trustees, three Founder Trustees have been on the board since inception in 2004. Sarah-Jane Norman and Douglas Lamont are current employees of Innocent Limited and Christina Archer is an external appointment. Trustees serve a two-year term, with the option for the Trustees to reappoint.

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

Management

The Trustees are supported in the day-to-day management of The Foundation by the Foundation Director Kate Franks and Foundation Portfolio Manager Amy Recknell.

The Foundation Director and Portfolio Manager 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 Director and Portfolio Manager 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 13 for further Related Party transaction details.

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 Innocent Foundation faces:

- *Funding from our principle donor, Innocent Ltd, reduces or stops:* The Foundation has a rolling minimum annual £1m commitment agreed with Innocent Ltd, with a two-year notice clause of any change, subject to certain conditions. If this risk were to materialise, our key concern would be to ensure that any ongoing grant commitments to partner organisations can be met. This is mitigated by our reserves policy which requires that we have enough reserves to cover these commitments.
- *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 our partners may lack capacity, especially when operating in challenging contexts, and therefore that some of the projects we support may fail to achieve their objectives. 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 this, 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.
- *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 every year. 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, FCO 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.
- *Loss of key staff:* The Foundation operates with two employees. Inevitably resources are spread thinly, and detailed knowledge of operations is concentrated. To mitigate this, an operations manual exists to document key resources and processes. Two Finance Guardians are responsible for financial reporting, analysis and managing the annual audit to ensure knowledge and experience is shared. During 2019, the Foundation Portfolio Manager will be

going on maternity leave. Her role will be covered by two current innocent employees on secondment, further passing on knowledge of the Foundation's processes and procedures.

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 2018-19, our grant-making policy stated that we would fund work under two interrelated goals:

Goal 1: stop children dying of hunger: We're there when children need us most, finding and treating kids whose lives are in immediate danger because of severe hunger. Through this goal we will find and fund cutting edge research projects with the potential to change how the world treats kids. Globally, it is estimated that over 16 million children are severely acutely malnourished. These children are more than nine times more likely to die than a well-nourished child. Today, Ministries of Health and NGOs reach and treat more than 4.5 million children a year, but there is an urgent need to increase the proportion of children treated globally. Ultimately, we're aiming to stop millions of children dying each year.

Goal 2 - help the poorest families feed themselves: We focus on helping the very poorest to grow or access food in countries rated serious or alarming on the Global Hunger Index. We look for innovative ways to help with interventions that have the potential to scale, and as climate change is making a bad situation worse for these people, it's even more vital that we find and fund long-term solutions so that the world's poorest families can adapt to face those challenges and feed themselves

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 scholarship programme which offers employees of Innocent Limited the opportunity to volunteer with partners, using their business skills to bring benefit to the organisation. There are up to three scholarships a year.

Principal activities of the charity and public benefit

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

Review of charitable activity

During the reporting year, The Foundation received £955,797 in donations (year ending June 2018 - £951,032). Innocent Ltd donated £950,000 of the total. In addition, Innocent Ltd paid £50,000 to The Foundation as a licence fee. The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

The Foundation gave grants to organisations (detailed below) with total donations amounting to £780,815 in the year (year ending June 2018 - £456,253). The Foundation works closely with project partners to ensure the greatest impact of the funds it invests in projects.

The Foundation supported 14 projects during this reporting period. We work in collaboration with our partners to achieve specific project objectives. These objectives are mutually agreed at the outset of each project and are set out in a signed Memorandum of Understanding or Deed of Grant (depending on the size of the grant). Progress against project objectives is monitored through six monthly reports.

Goal 1 Grants

Action Against Hunger, Mali (June 2016 – Dec 2018): Action Against Hunger believed community health workers could reach a far higher proportion of children with severe acute malnutrition in a more cost-effective way and with the same quality of care as that given to children treated at a traditional health facility. We worked with them to fund research to test this. In 2014-16, Action Against Hunger piloted an alternative model where community health workers in Mali and Pakistan diagnosed and treated children at home. Results showed the proportion of children receiving treatment doubled in Mali. As a result, the Government of Mali became the first country globally to change their national guidelines to roll out the new model across the country. Kenya, Mauritania and Senegal are setting up pilot projects to test the model in their national context.

Following the success of Phase 1 of the project, the Innocent Foundation agreed to make a further grant to Action Against Hunger so that they can support the Ministry of Health in Mali to expand the community health worker model and prove that the model works at scale. With our funding, the model was expanded across the Kayes region and three different models of supervision were being tested to find out which was most effective. Data collection ended in late 2018. The results of the project are currently being prepared for publication in peer reviewed journals.

Action Against Hunger, Burundi (Feb 2018 - Oct 2018): The Innocent Foundation supported a research project to gather and analyse severe acute malnutrition treatment records taken from a random sample of community health workers in Gitega district, Burundi. This quantitative data was supplemented with qualitative focus group discussions with health centre nurses, community health workers and community members to understand the barriers to treatment with the current model. The principle investigator is a Burundian citizen studying at the School of Tropical Medicine and Global Health at the University of Nagasaki. His work is overseen by his supervisor, Associate Professor of Epidemiology & Nutrition, who is co-authoring the research, with technical implementation and data analysis support from the Action Against Hunger Nutrition team. Data collection completed in 2018, and the findings have been submitted for publication.

ALIMA, Democratic Republic of Congo (Aug 2018 – Jan 2021): We're funding OPTIMA2, a research project investigating how to optimise acute malnutrition treatment in children aged from 6 to 59 months. It's 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. Trial design was completed and ethical approval received for the study in spring 2019, with data collection expected to start in July 2019.

Concern Worldwide, Kenya, (Aug 2018 – Nov 2020): The CeaSurge project combines Concern Worldwide's well regarded IMAM Surge Approach with Family MUAC to improve early detection, referral and prevention of acute malnutrition in Kenya. Concern Worldwide, supported by Trinity College Dublin's School of Medicine, is working in areas where the Surge Approach has set up early warning systems to prepare health systems to respond to increased demand for nutrition services. The research then trains caregivers to identify acute malnutrition in children. The project brings together these two separate severe acute malnutrition interventions that we know work, to find out if they operate even more effectively when combined, to enhance delivery of nutrition services at the community level. Data collection began in April 2019, and the Foundation Director completed a project monitoring visit in May 2019.

IFPRI, Mali and Burkina Faso (Oct 2018 – Oct 2019): The PROMIS Study aims to work out why acute malnutrition treatment isn't always successful using data from Mali and Burkina Faso. Run by the Poverty, Health and Nutrition Division at the International Food Policy Research Institute (IFPRI), the study will investigate why some malnourished children do not initiate treatment or drop out before completing treatment? Why do some relapse and get acute malnutrition again within 6 months of being cured? Can we get better at forecasting the number of children who will develop MAM or SAM? This project is examining an already existing rich data set from the PROMIS study to work out why some children access treatment and get better while others don't. Findings to these three burning research questions will inform better treatment design in the future.

Washington University of St Louis, Sierra Leone (Aug 2018 – Oct 2020): This project is "The Hi-MAM Study: Treatment of High-Risk Moderate Acute Malnutrition using expanded admission criteria" Led by Washington University School of Medicine, it also includes Project Peanut Butter and the Centre for Global Child Health at the Toronto Hospital for Sick Kids. One of the best ways to combat severe acute malnutrition and its associated risks is to intervene before children become severely malnourished in the first place. The research team have identified four high-risk indicators which may signal that a child is about to deteriorate from moderate to severe acute malnutrition and will test two different types of early intervention to see if they can prevent severe acute malnutrition and help children survive and thrive.

Goal 2 Grants

Ace Africa, Kenya (Jan 2017 to Dec 2019): The Innocent Foundation is funding Ace Africa's collaborative project with the Haller Foundation which aims to address issues of extreme poverty, malnutrition and disease in two districts in western and southern Kenya. Ace Africa, in partnership with Haller, is implementing a Community Livelihoods Initiative (CLI) in Bungoma and Siaya counties to reach 16 community groups. Through the CLI, the two organisations are training community members in advanced fish farming and integrated farming techniques. In January 2019, a joint planning and review meeting was held in Mombasa, hosted by Haller Foundation. In this meeting they covered a range of important topics including; partnership, project planning, trouble shooting, communication and future plans. The latter looking at further collaborative opportunities between the two organisations.

Blue Ventures Conservation, Madagascar (Mar 2018 – Feb 2021): Blue Ventures Conservation's 'Improving Madagascar's mangrove mud crab fishery' project aims to support fishers at the start of the supply chain to secure better value for their catch, thus reducing production waste, poverty and improving food security. Blue Ventures Conservation also support communities to improve management of the mud crab fishery so that fishing is sustainable and can continue to provide livelihoods and food for communities in the Belo sur Mer region. During

the reporting period the project focused on collecting the information needed to design the new crab collection system, which is expected to launch later this year after a national crab fishery closure that will take place between September and October. In parallel to the development work for the collection system, extensive effort was put into community outreach, fisheries monitoring, and building the capacity of the Locally Managed Marine Associations in managing their marine resources.

Feedback Madagascar, Madagascar (Apr 2017 – Mar 2020): Feedback Madagascar's 'Breakthrough Communities' project aims to increase beneficiaries' resilience to climate change and support livelihood diversification through an introduction to agricultural and agroforestry techniques. The project will support around 850 households in 15 rural communities in the Vohitsaoka rural municipality in southeast Madagascar. During the period, the 16 Game-changers assigned to cascade their knowledge, were trained on transplanting fruit trees and the planting of crops for cattle fodder such as Kijoji, Cloris and Vetiver. Awareness raising with the wider communities was carried out in December 2018 on the importance of, and techniques for, planting fodder crops. Improved yam-farming techniques have also been integrated into "Model Farms", particularly since local people in Vohitsaoka often harvest wild yams but under challenging conditions, and due to yams' important nutritional properties.

KickStart International, Rwanda (Nov 2018 – Nov 2019): Our first project with KickStart International is supporting the organisation's expansion plans into new territories. With a grant of £31,411 KickStart will develop a new irrigation programme in Rwanda, accelerating uptake of irrigation among Rwanda's small-scale farmers by ensuring that the right tools and knowledge are accessible and affordable through local partners and supply chains. Over the past six months, the team in Rwanda trained 178 farmers on how to reap the benefits of irrigated farming, and how to properly use Money Maker pumps throughout the year, while maintaining their good condition.

MicroLoan Foundation, Malawi (Apr 2017 – June 2020): This project with MicroLoan Foundation is focusing on increasing project beneficiaries' resilience to climate change whilst supporting livelihoods through growing soya. The project will improve the food security of 650 poor female smallholder farmers and 3,250 of their dependants. It will also improve their financial security and household income from the sale of any surplus soya as well as increase the diversification of their diets and improve soil quality through crop rotation and 'conservation' farming methodologies. In the second year of the project MicroLoan Foundation have made a key change to the delivery of the project by employing local Crop Officers who have been given key responsibility to focus on technical training and support and compliance, freeing up Loan and Training Officers to focus on administering loans and providing business development support to the women on the programme.

PHASE Worldwide, Nepal (Aug 2015 – Jul 2018): The project worked in Mugu, Nepal, and addresses complex problems in a very isolated and hard to reach area by providing intensive support to communities around growing food and promoting good nutrition. At the conclusion of this project it was reported that the intended activities were largely accomplished successfully and implemented in a planned manner, on time, and in cooperation with the local government and stakeholders to achieve stronger impact. PHASE's proposed target for direct beneficiaries was 900, but in total the project reached 1177 beneficiaries (female farmers), who were supported through different planned interventions. PHASE also provided essential knowledge about nutritious food and health through food preparation training, vegetable production training and chicken rearing training as well as relieving the financial burden for some families through additional earnings from enhanced crop production. The project has also functioned as a catalyst to allow PHASE to mobilize funding for further similar activities in the area, so that the overall effect is much larger than the actual project funding would allow. PHASE has also been able to secure funding for further agriculture and nutrition activities from the City of Vienna, Austrian Development Cooperation, and recently the UK Department for International Development.

Send a Cow, Ethiopia (Apr 2016 – Jul 2019): This project delivered holistic rural livelihoods support to 3,720 households in the Wolayita Zone of Southern Ethiopia. By providing training in gender and social development, farming systems and enterprise to very poor and vulnerable men, women and children, they are developing the confidence to provide for their families. The whole farm will be transformed so families have nutritious food to eat and surplus to sell for income. In addition, the project is working with the University of Reading to develop a tool that demonstrates why young people in rural Ethiopia feel marginalised, poor and lack hope for the future. During this period Send a Cow reported that self-esteem and confidence had greatly improved with 86% of people now reporting good self-esteem and 70% of families being confident that their farm can meet all their food and income needs demonstrating the transformational impact of the project to date.

Legacy Grants

Mayor's Fund for London, UK (May 2016 – Oct 2016 & Jan 2017 – June 2019): Following a successful pilot project over summer 2016 across North-West London supporting eleven community centres to run free lunch clubs for local children, the foundation awarded a follow up grant to the Mayor's Fund for London to roll out the project across London. The programme, called 'Kitchen Social', aims to reach 300 clubs in areas of high deprivation across the city by 2020 with training for staff, a toolkit to run the holiday kitchens and money for food and equipment. It will feed 278,000 meals to over 41,000 children and young people. The project is being evaluated by Northumbria University. By summer 2018, nearly 100 clubs were already up and running, serving 2,700 children. Final project results are expected in August 2019.

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 in order to achieve the required risk-reward profile for the foundation. At any given time the innocent foundation must be able to cover its committed expenditure, and also 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, will 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.

At the end of the reporting year, our total funds held were £ 3,429,846, (year ending June 2018 - £ 3,334,179). Of this £1,070,888 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, £2,358,958 is uncommitted reserves. This meets the requirements of our stated reserves policy.

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

Future plans

In 2019-20, 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

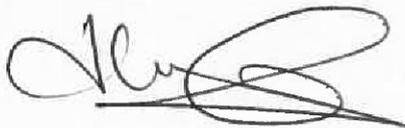
To achieve these goals, we will focus our time, money and expertise on making fewer, bigger, riskier grants to fund world class innovation. We've broadened our search for partners, from UK-based charities to organisations from around the world, who may be charities, but could also be universities, research institutes, or other innovators, who need our support to test and scale their great ideas. With strong global research connections now established for our goal 1 work, and an annual application cycle set up for goal 2, we plan to accelerate our grant-making over the next three years and intend to spend down our high reserves to our reserves policy level in pursuit of these goals.

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

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

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

Approved by the trustees on 14th October 2019 and signed on their behalf by:



Jonathan Wright
Trustee

Statement of Trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Opinion

We have audited the financial statements of The Innocent Foundation for the year ended 30 June 2019 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, 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 2019 and of its incoming resources and application of resources 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual 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 Trustees' Annual Report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit [or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' annual report.

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.

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.

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

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.



Janette Joyce

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Aquis House

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23.10.19

Statement of financial activities (including income and expenditure account) for the year ended 30 June 2019

	Notes	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Incoming resources			
Donations and Legacies	2	955,797	951,032
Income from Investments	3	3,819	3,476
Other income	4	<u>50,000</u>	<u>50,000</u>
Total income		<u>1,009,616</u>	<u>1,004,508</u>
Resources expended			
Expenditure on Charitable Activities	5,7	<u>(913,949)</u>	<u>(597,635)</u>
Total expenditure		<u>(913,949)</u>	<u>(597,635)</u>
Net movement in funds		95,667	406,873
Funds brought forward		<u>3,334,179</u>	<u>2,927,306</u>
Funds carried forward		<u>3,429,846</u>	<u>3,334,179</u>

All incoming resources and resources expended derive from continuing activities.

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

The notes on pages 18 to 22 form part of these financial statements.

The Innocent Foundation (a company limited by guarantee)

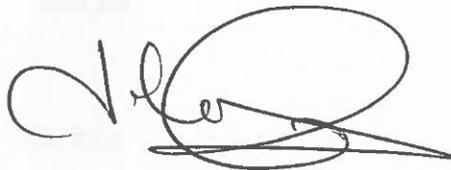
Registered No. 05054312

Charity No. 1104289

Balance sheet

	Notes	As at 30 June 2019 £	As at 30 June 2018 £
Current assets			
Cash at bank		<u>3,435,467</u>	<u>3,367,255</u>
		3,435,467	3,367,255
Creditors: amounts falling due within one year	9	<u>(5,621)</u>	<u>(33,076)</u>
Net current assets		<u>3,429,846</u>	<u>3,334,179</u>
Represented by:			
Reserves – unrestricted funds		<u>3,429,846</u>	<u>3,334,179</u>

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



14/10/19.

Jonathan Wright
Trustee

The notes on pages 18 to 22 form part of these financial statements.

Statement of Cash Flows

	<i>Notes</i>	<i>Year ended 30 June 2019 £</i>	<i>Year ended 30 June 2018 £</i>
<i>Cash generated by operating activities</i>		64,393	431,088
<i>Cash flows from investing activities</i>			
Interest income	3	<u>3,819</u>	<u>3,476</u>
<i>Cash provided by investing activities</i>		3,819	3,476
Increase in cash and cash equivalents in the year		<u>68,212</u>	<u>434,564</u>
Cash and cash equivalents at the beginning of the year		<u>3,367,255</u>	<u>2,932,691</u>
Total cash and cash equivalents at the end of the year		<u>3,435,467</u>	<u>3,367,255</u>
 Reconciliation of cash flows from operating activities			
<i>Net income for the reporting period</i>		95,667	406,873
Adjustments for:			
Investment income		(3,819)	(3,476)
(Decrease)/increase in creditors		<u>(27,455)</u>	<u>27,691</u>
<i>Net Cash provided by operating activities</i>		<u>64,393</u>	<u>431,088</u>

Notes to the financial statements at 30 June 2019

Charity Information

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

1. Accounting policies

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

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

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

Fund accounting

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

Incoming resources

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

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

Resources expended

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

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

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

Donated services

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

Foreign currencies

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

Going concern

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

Financial Instruments

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

Creditors

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

2. Donations	<i>Year ended 30 June 2019 £</i>	<i>Year ended 30 June 2018 £</i>
<i>Unrestricted</i>		
Innocent Ltd	950,000	950,000
Other	<u>5,797</u>	<u>1,032</u>
	<u>955,797</u>	<u>951,032</u>
3. Income from Investments		
<i>Unrestricted</i>		
Other	<u>3,819</u>	<u>3,476</u>
	<u>3,819</u>	<u>3,476</u>

The Innocent Foundation (a company limited by guarantee)

Registered No. 05054312

Charity No. 1104289

4. Other income

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
<i>Unrestricted</i>		
Licence fee paid by Innocent Ltd	<u>50,000</u>	<u>50,000</u>
	<u>50,000</u>	<u>50,000</u>

5. Grant making costs

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
<i>Restricted donations</i>		
Ace Africa	24,917	31,255
Action Against Hunger	113,841	208,367
ALIMA	258,578	-
Blue Ventures	15,505	12,875
Concern	64,856	-
Oxfam Emergency Relief	-	25,000
Feedback Madagascar	12,908	31,301
Find Your Feet	-	15,000
IFPRI	33,027	-
Jeevika Trust	-	5,961
Kickstart International	15,726	-
Make Lunch	-	12,461
Mayor's Fund for London	38,500	42,000
MicroLoan Foundation	18,363	14,139
PHASE Worldwide	-	24,854
Send a Cow Ethiopia	15,607	33,039
Washington University	<u>168,988</u>	<u>-</u>
	780,815	456,253
<i>Grant management costs</i>		
80% of Foundation Employees time	91,184	93,324
Governance Expenditure	<u>41,950</u>	<u>48,059</u>
	<u>913,949</u>	<u>597,636</u>

6. Employees

There are two employees – The Foundation Director and The Foundation Portfolio Manager. Both are co-employed by the Innocent Foundation and Innocent Ltd and they spend 100% of their time running The Foundation. The Trustees and the Foundation Guardians (employed by Innocent Limited) also work two to three hours per month on a voluntary basis.

7. Governance expenditure

During the year the charity incurred £41,950 (2018 – £48,059) in governance expenditure which came in the form of professional charges, website charges, holiday pay accrual and 20% of The Foundation's employee's salaries. Administrative expenditure includes £5,070 in respect of the Auditor's remuneration (2018 – £4,884).

No remuneration was paid to the Trustees. One Trustee claimed £117 for travel expenses (2018 - £118).

8. Tax

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

No tax charge arose in the period.

9. Creditors: amounts falling due within one year

The creditors balance of £5,621 (2018 – £33,076) comprises the Auditor's fee, holiday pay accrual and outstanding salary accrual owed to innocent ltd for the foundation employees' salaries.

	<i>30 June</i> 2019 £	<i>30 June</i> 2018 £
Audit fee (including VAT)	5,070	4,884
Other	<u>551</u>	<u>28,192</u>
	<u>5,621</u>	<u>33,076</u>

10. Financial Instruments

Financial Assets measured at amortised cost: Cash held £3,435,467 (2018: £3,367,255)

Financial Liabilities measured at amortised cost: Creditors £5,621 (2018: £33,076)

Total interest income for basic financial assets was £3,819 (2018: £3,476)

11. Issued share capital

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

12. Future commitments

At the year end the charity had committed £ 1,070,888 (2018 – £1,494,197) of funding to support identified organisations by the end of 2022. The funding is dependent upon those organisations meeting specific performance criteria. As such, these have not been recognised as a liability in the accounts.

13. Related party transactions

Innocent Ltd and its shareholders donated £950,000 to The Foundation during the 12-month period to 30 June 2019 (2018 - £950,000). In addition, Innocent Ltd paid The Foundation £50,000 (2018 - £50,000) for a licence fee which allows the company to use The Foundation's logo with limitations. During the year, no Trustees were shareholders of Innocent Ltd or its related companies and two Trustees; Douglas Lamont and Sarah-Jane Norman, were employed by Innocent Ltd. Kate Franks and Amy Recknell are the management personnel and are co-employed by Innocent Ltd as The Foundation Director and Foundation Portfolio Manager respectively. They work out of the Innocent Ltd head office in London and work with Innocent employees (The Foundation Guardians and two Trustees). During the year Innocent Limited incurred £113,980 (2018 - £116,655) in respect of their employment costs. As they spend 100% of their time running the foundation, this was recharged to The Foundation and at year-end £Nil (2018 - £27,327) was outstanding and owed to Innocent Ltd.

