

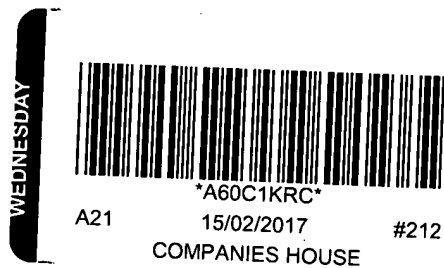
# AMENDED ACCOUNTS

## **The Innocent Foundation (a company limited by guarantee)**

### **Report and Financial Statements**

Year Ended

30 June 2016



## **Contents**

Administrative Details.....	2
Trustees' Report.....	3
Statement of Trustees' responsibilities .....	11
Independent Auditor's Report to the Members and Trustees of The Innocent Foundation.....	12
Statement of financial activities (including income and expenditure account) for the year ended 30 June 2016.....	14
Balance sheet.....	15
Statement of Cash Flows .....	16
Notes to the financial statements at 30 June 2016 .....	17

The Innocent Foundation (a company limited by guarantee)

Registered No. 05054312

Charity No. 1104289

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## **Administrative Details**

### **Trustees**

Adam Balon  
Alison Wilson  
Christina Archer  
Douglas Lamont  
Jon Wright  
Richard Reed

### **The Innocent Foundation Committee Members**

Carrie Oxtoby  
Charlotte Cawthorne  
Chloe Marchant  
Conor Love  
Crystal Dickinson  
Dan Jones  
Elodie Chavagneux  
Francesca Lee  
Greg Rahilly  
Harriet Dyson  
Heidi McDonald  
Helena Langdon  
Herwig Pfoser  
James Duncan  
Jamie Dooley  
Jon Few  
Laurent Olver  
Lena Tailor  
Lois Hinx  
Louise Murphy  
Michael Kelly  
Natasha Humphreys  
Rebecca Skelhorn  
Samantha Dunn  
Sangita Patel  
Sarah Burbidge  
Sarah Hewett  
Shane Jackson  
Simon Ketteringham  
Sophie De Peufeilhoux  
Tamara Lawson  
Tobias Goj

### **Manager**

Kate Franks

### **Auditors**

Crowe Clark Whitehill LLP  
Aquis House  
49-51 Blagrove Street  
Reading  
Berkshire RG1 1PL

## The Innocent Foundation (a company limited by guarantee)

Registered No. 05054312

Charity No. 1104289

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### Bankers

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

Co-Op Bank  
PO Box 50  
Skelmersdale  
WN8 6YL

### Trustees' Report

#### Trustees

Adam Balon  
Alison Wilson  
Christina Archer  
Douglas Lamont  
Jon Wright  
Richard Reed

#### Address of Charity and Registered Address

The Innocent Foundation  
Fruit Towers  
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 2016.

#### 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. Alison Wilson 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 Manager 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 Manager Kate Franks.

The Foundation Manager supports the effective running of The Foundation by managing relationships with partner organisations. The Manager makes 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 Manager's 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 Manager receives ongoing performance management and an annual feedback report which provides feedback from the Trustees, Foundation Guardians and external grant partners.

The Manager is helped by The Foundation Committee Members (known as 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 Committee Members 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 Manager 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 maintains a close relationship with the donor, regularly updating them on the valuable work their funding supports. The Foundation has an annual minimum £1m commitment agreed with Innocent Ltd until 2018 and is in discussion to extend this commitment. 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.
- *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 or that funds could be misused. Apart from failing to deliver effective support to hungry people, this could also damage our reputation with our donor. To mitigate this, we conduct thorough due diligence on our partners before providing funding. We monitor all of our projects biannually. 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. 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 only one full time employee. 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. Three Finance Guardians are responsible for financial reporting, analysis and managing the annual audit to ensure knowledge and experience is shared. A second member of staff will be recruited in 2016-17.

### **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 people who are 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, the Trustees have set a grant-making policy which states that we will fund four types of project:

1. *Seed Funding:* We provide funding for sustainable agriculture projects which help communities in countries categorised as "serious", "alarming" or "extremely alarming" on the Global Hunger Index to grow enough to feed and support themselves. These grants are specifically designed to help partner charities get new projects off the ground, giving them time to refine their model and prove it works.
2. *Local Food Poverty:* At least four million in the UK suffer from food poverty, which means that they aren't able to obtain healthy, nutritious food. They have to eat what they can afford, not what they choose. We make grants to charities who provide healthy, nutritious food to children, families and young people living in food poverty in the UK.
3. *Breakthrough Development:* We are prepared to take risks on great but untested ideas in the hope that we will find new models that will become the gold standard to address hunger issues. Our first breakthrough development grant continued this year.
4. *Emergency Hunger Relief:* When major disasters strike, we are ready to respond. Getting food to people quickly in a humanitarian crisis is essential and our funding can have a direct and immediate impact for those affected by natural or man-made disasters.

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 £962,810 in donations (year ending June 2015 - £951,317). Innocent Ltd donated £950,000 of the total. In addition, Innocent Ltd paid £50,000 to The Foundation as a licence fee. The Foundation gave grants to organisations (detailed below) with total donations amounting to £800,166 in the year (year ending June 2015 - £894,132). The Foundation works closely with project partners to ensure the greatest impact of the funds it invests in projects.

The Foundation supported 19 projects (including four emergency relief donations) 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.

### **Seed Funding Grants**

**Ace Africa, Tanzania (Jun 2014 to Jun 2017):** This project is reaching 120 farmers on Kome Island, a remote island in Lake Victoria, where 95% of the population live on less than \$1 a day. The participants are being trained in sustainable agricultural and nutrition practices, as well as income generating activities to ensure long-term household food, nutritional and economic security for their families. It is also improving the food and nutritional security of 3,600 members of the wider community. The Foundation manager and a Trustee made a monitoring visit to the project in March 2016 and were pleased with progress.

**Action on Disability and Development, Cambodia (Aug 2014 – Jul 2017):** Our third grant to ADD International aims to reduce the poverty and hunger of 193 extremely poor women with disabilities living in Chumkiri District in Kampot Province by supporting them to make an income from pig raising. The women are being provided with a loan for the purchase of piglets and feed as well as being trained in pig raising and basic financial management and planning.

**Feedback Madagascar, Madagascar (Apr 2014 – Apr 2017):** Our second grant to Feedback Madagascar is diversifying agricultural production with the aim of increasing food security and nutrition for 800 highly vulnerable households in 20 communities bordering the rainforest corridor at Ambositra-Vondrozo. It focuses on young, usually landless people - couples and single mothers - who are the poorest and most vulnerable in society. Nutrition will improve, income will be increased and forests will be more sustainably managed. In addition, an Innocent Ltd employee spent two weeks working with Feedback Madagascar in November 2015 on a business development project as part of the Innocent Foundation scholarship programme.

**Find Your Feet, Zimbabwe (Apr 2015 – Mar 2017):** This project is empowering farmers in Mutoko to address the root causes of their poverty and hunger through sustainable agriculture and the use of natural resources. It is reaching 1,050 rural farmers, and their 3,150 family members, who rely on subsistence agriculture for their food and income. The project is supporting people to set up farming groups to learn new skills and get training in seed storage, nutrition, food preparation and adding value to their crops for income generation. The Foundation manager and a Trustee made a monitoring visit to the project in March 2016 and were pleased with progress.

**iDE UK, Zambia (Apr 2014 – Mar 2017):** iDE is reducing rural poverty and hunger for 800 vulnerable households in the Meheba Refugee Settlement in the North-Western Province of Zambia by introducing high value horticultural growing and promoting sustainable livelihoods and

access to markets. iDE estimate this will increase household incomes by an average of £210 a year. Early indications are that income from some crops has already increased by between 90% and 325% for beneficiaries. 837 farmers have already been trained by eight Farm Business Advisers and are producing for the market.

**Inga Foundation, Honduras (May 2012 – Dec 2016):** Our grant helps the Inga Foundation employ an agronomist to support families in the Cuero and Cangrejal River regions to reduce the impact of slash and burn by introducing inga trees to restore land and allow intercropping with crops for both food and cash. The project is working with over 180 families and has already planted over 300,000 Inga tree seedlings in family plots, alley-cropping demonstration plots and seed orchards.

**Jeevika Trust, India (Mar 2015 – Feb 2018):** The aim of this project is to empower the most impoverished Dalit & other low-caste women villagers and their families through the use of local, cost-effective, eco-friendly technologies that sustain agriculture and enhance their quality of life. It will also provide supplementary education and address issues of discrimination, health and hygiene within their village communities. Working in 13 villages in the Namakkal District of Tamil Nadu, Jeevika are training women farmers on eco-friendly technologies to conserve water and generate new agricultural livelihood opportunities by reintroducing traditional agricultural practices, particularly millet cultivation.

**Kew Foundation, Bolivia (Oct 2014 – Sep 2017):** This project is restoring abandoned land and supporting local livelihoods in the Pando region of the Amazon by teaching the permanent cultivation of crops and reducing pressure on remaining natural forest through trialling Inga tree cropping. By trialling fruit farming in six pilot and 12 extension communities, Kew will develop the skills of local people and communities and increase their capacity to manage their own plant resources, add economic value and maintain forest biodiversity. In addition, an Innocent Ltd employee spent two weeks working with the Kew Foundation's local implementing partner, Herencia, in Bolivia in November 2015 on a value chain analysis project as part of The Innocent Foundation scholarship programme.

**PHASE Worldwide, Nepal (Aug 2015 – Jul 2018):** The project works in Mugu, Nepal, and plans to address complex problems in this very isolated and hard to reach area by providing intensive support to communities around growing food and promoting good nutrition. A team of health & nutrition trainers and local mobilisers will train 900 female farmers in all-season, quick yielding vegetable production. Another 900 farmers will learn about chicken rearing and each farmer will share new chicks and skills with neighbours to pay it forward. 900 new mothers will be trained in child health and preparing nutritional foods for their children using the locally available material from their fields. This will be complemented by biannual child health monitoring, including checking children for malnutrition. In total, the project will reach 13,000 people. Within three years, PHASE aims to achieve a significant increase in food security, an increase in the number of months a family can feed themselves from their own land.

**Send a Cow, Ethiopia (Apr 2016 – Mar 2019):** This project is delivering 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 will develop 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. From the use of unique research tools they will be able to map the causes of youth marginalisation to their overall wellbeing and create an index - invaluable for future project planning and design. In addition, an Innocent Ltd employee spent two weeks working at Send a Cow's UK office over the summer of 2015 on a project to embed organisational values as part of the Innocent Foundation scholarship programme.



### **Local Food Poverty Grants**

**Make Lunch, UK (Feb 2015 – Jan 2017):** 1.2 million children in the UK get free school meals in term time. Many of them rely on these meals as their main, or in extreme cases, only meal of the day. But when school stops for the holidays, so does the food, and families on tight budgets struggle to fill the gap. Make Lunch support community groups across the UK to provide meals to children from low income families in the school holidays. With The Innocent Foundation's grant, Make Lunch has already increased their rate of growth by launching 30 new community holiday lunch clubs, serving over 13,000 meals to children in 2015 alone. The grant has also created two new roles to support this growth.

**Mayor's Fund for London, UK (May 2016 – Oct 2016):** The Foundation is funding a short pilot project across North-West London with the Mayor's Fund for London. Eleven community centres will run free lunch clubs for local children over summer 2016. The clubs are road testing a new toolkit designed to help any community group set up a similar project. Each club aims to feed 20 children several days a week over the holidays. An evaluation will be carried out at the end of the holidays to see what worked well and update the toolkit with the intention of rolling it out across London next year.

**The Matthew Tree Project, UK (Oct 2014 – Sep 2016):** The Matthew Tree Project runs five Food Plus Centres in the most deprived areas of Bristol and works with a whole spectrum of partners who refer clients at crisis point. The Food Plus Centre teams provides seven days of nutritious food for the whole family and also provides a complete 'wrap-around' range of support and guidance services. Our grant employs a van driver so that they can arrange food collections, buys fridges so they can offer fresh foods such as fruit, vegetables and dairy products, and has also purchased IT equipment allowing better data collection to analyse clients' progress, improve service delivery and prove impact.

**The Trussell Trust, UK (June 2015 – May 2017):** This project is helping The Trussell Trust set up holiday meal clubs for children. School holidays can be a particularly difficult time as the lack of free school meals and the added pressure of funding childcare means families who are already managing an extremely tight budget are being pushed further into crisis. The project started by looking at existing levels of school holiday meal provision within the Foodbank Network, followed by piloting 5 holiday meal clubs nationwide to test best practice in the Easter 2016 holidays. By the end of the project, the Trussell Trust aims to have 50 foodbanks across their network hosting meal clubs during the holidays. The Foundation manager and a Trustee made a monitoring visit to the project in March 2016 and were pleased with progress.

### **Breakthrough Development Grant**

**Action Against Hunger, Mali & Pakistan (Feb 2014 – 2017):** 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 2 million children a year, but there is an urgent need to increase the proportion of children treated globally. Action Against Hunger believe community health workers can reach a far higher proportion of cases 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 are working with them to fund research in Mali and Pakistan to test this. In 2014-16, Action Against Hunger piloted an alternative model where community health workers diagnose and treat children at home, while collecting data about the effectiveness of this approach. The pilot treated 1129 children in Mali and Pakistan. Early results were so encouraging that the Government of Mali changed their national guidelines to roll out the new model across the country. By the end 2016, the resulting evidence will be published and used as a basis to advocate for implementation and scale up of the model around the world.

### **Emergency Hunger Relief Grants**

**Oxfam, Syria (September 2015):** Since we last donated to Syria in May 2013, the ongoing conflict has further reduced the availability of food and increased prices, leaving 9 million Syrians in desperate need of food assistance. In a survey conducted by Oxfam in early 2015, 82% of Syrians reported reducing the number of meals they ate each day as they didn't have enough food. In September 2015, the Innocent Foundation donated £25,000 to provide food kits to over 8,500 vulnerable people displaced by the conflict to help meet their nutritional needs for one month.

**Oxfam, Ethiopia (November 2015):** Ethiopia is experiencing a serious drought as a consequence of the 2015 El Niño and the increasing impact of climate change. Three consecutive rains have failed. More than 80% of the population depends on agriculture which makes them vulnerable to drought and changes in weather pattern, and while almost 8 million people will receive help from the Ethiopian government, funding was urgently needed to reach an additional 10.2 million people. The Innocent Foundation donated £25,000 which enabled Oxfam to run a 'Cash for Work' programme for 500 vulnerable households in Shinile. This helped families buy the food they needed.

**Oxfam, Burundi (February 2016):** Fear of violence and intimidation is forcing thousands of people to flee their homes in Burundi. Tanzania is hosting over 110,000 Burundians in refugee camps, and more refugees are arriving every day. The Innocent Foundation donated £25,000 so that Oxfam can carry out market assessments for Nduta and Nyaragusu Camp markets to assess food insecurity and then complete a cash transfer project to help 1,000 families.

**Oxfam, Zimbabwe (May 2016):** A state of disaster was declared in Zimbabwe in February 2016 due to a slow onset drought caused by the El Niño effect. 95% of the country has received rainfall far below average, and erratic rains have impacted on food security and livestock conditions. Up to 4.5m will need food aid by the peak of the 2016/17 lean season when what little food and water there is now will be running even lower. The Innocent Foundation donated £25,000 so that Oxfam could provide 940 vulnerable households in the Matobo district with cash transfers or direct food provision.

### **Investment and reserves policy**

We currently bank with the Charities Aid Foundation (CAF) Bank and the Co-Op Bank. Deposits that we do not require access to immediately are kept in either our 30 day notice account (bearing 0.6% interest per annum) or our deposit account (bearing 0.55% interest per annum). Our reserves policy states that cash reserves will be held at a level which ensures that 12 months of the Innocent Foundation's committed expenditure can be met, and any remaining funds will be either spent on new projects or retained as reserves. This is a cautious approach bearing in mind that the charity relies on donations from Innocent Limited.

At the end of the reporting year, our total funds held were £2,835,899 (year ending June 2015 - £2,699,824). £486,475 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, £2,349,424, is unrestricted reserves. This meets the requirements of our stated reserves policy. The trustees plan to spend down the unrestricted reserves in future in line with the reserves policy.

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

### **Future plans**

One in nine people in the world are hungry today, but it doesn't have to be this way. Hunger is the world's greatest solvable problem because there is enough food in the world for everybody to have the nourishment necessary for a healthy and productive life, but not everyone has access to it. Since 2004, we've worked with 42 incredible charities to do our bit to help. We've supported 67

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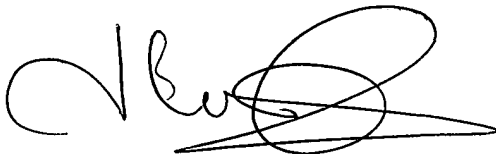
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projects to help 630,000 people escape poverty and hunger. In 2016-17, the Trustees are delighted that the Innocent Foundation will continue to fight hunger all over the world. Our annual expenditure is planned at approximately £1m and will continue to be split across the four types of project described above as our monitoring and analysis shows that all four continue to provide effective grant funding to achieve our goal of helping the world's hungry. The Trustees welcome the flexibility that our current level of unrestricted reserves offers and will consider funding projects beyond our annual £1m budget if they are of a high enough quality.

In particular, our longest running funding workstream, Seed Funding, has been supporting projects around the world for 12 years. The Trustees recently commissioned an independent review of the complete portfolio of past and current projects to understand better which projects have been most effective, efficient and sustainable. In 2016-17, we look forward to reviewing the evaluator's findings and applying lessons learned to ensure that the Foundation continues to invest in the very highest quality projects to transform the lives of our beneficiaries.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**Approved by the trustees on 7<sup>th</sup> November 2016 and signed on their behalf by:**

A handwritten signature in black ink, appearing to read 'Jonathan Wright', with a large, stylized flourish at the end.

**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**

We have audited the financial statements of The Innocent Foundation for the year ended 30 June 2016 set out pages 14 to 22 and the related notes numbered 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 and Trustees 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, the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

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 2016 and 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.

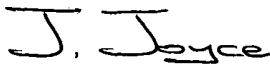
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

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



Janette Joyce

Senior Statutory Auditor

For and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

Aquis House

49-51 Blagrove Street

Reading

Berkshire RG1 1PL

DATE 7 NOVEMBER 2016

**Statement of financial activities (including income and expenditure account) for the year ended 30 June 2016**

	Notes	Year ended 30 June 2016 £	Year ended 30 June 2015 £
<b><i>Incoming resources</i></b>			
Donations and Legacies	2	962,810	951,317
Income from Investments	3	5,649	7,979
Other income	4	<u>50,000</u>	<u>50,000</u>
<b><i>Total income</i></b>		<u>1,018,459</u>	<u>1,009,296</u>
<b><i>Resources expended</i></b>			
Expenditure on Charitable Activities	5,7	<u>(882,384)</u>	<u>(975,570)</u>
<b><i>Total expenditure</i></b>		<u>(882,384)</u>	<u>(975,570)</u>
Net movement in funds		136,075	33,726
Funds brought forward		<u>2,699,824</u>	<u>2,666,098</u>
Funds carried forward		<u><u>2,835,899</u></u>	<u><u>2,699,824</u></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 17 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	Year ended 30 June 2016 £	Year ended 30 June 2015 £
Current assets			
Cash at bank		<u>2,858,387</u>	<u>2,706,149</u>
		2,858,387	2,706,149
<i><b>Creditors: amounts falling due within one year</b></i>	9	<u>(22,488)</u>	<u>(6,325)</u>
<b>Net current assets</b>		<u><u>2,835,899</u></u>	<u><u>2,699,824</u></u>
<b>Represented by:</b>			
Reserves – unrestricted funds		<u><u>2,835,899</u></u>	<u><u>2,699,824</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 November 2016



Jonathan Wright  
Trustee



## Statement of Cash Flows

	Notes	30 June 2016 £	30 June 2015 £
<b>Cash used in operating activities</b>		<b>146,589</b>	<b>25,989</b>
<b>Cash flows from investing activities</b>			
Interest income	3	5,649	7,979
<b>Cash provided by investing activities</b>		<b>5,649</b>	<b>7,979</b>
Increase in cash and cash equivalents in the year		152,238	33,968
Cash and cash equivalents at the beginning of the year		2,706,149	2,672,181
<b>Total cash and cash equivalents at the end of the year</b>		<b><u>2,858,387</u></b>	<b><u>2,706,149</u></b>
<b>Reconciliation of cash flows from operating activities</b>			
<b>Net income for the reporting period</b>		<b>136,075</b>	<b>33,726</b>
Adjustments for:			
Dividends, interest and rents for investments		(5,649)	(7,979)
Increase in creditors		16,163	242
<b>Net Cash provided by (used in) operating activities</b>		<b><u>146,589</u></b>	<b><u>25,989</u></b>

## Notes to the financial statements at 30 June 2016

### 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 Fruit Towers, 342 Ladbroke Grove, London, W10 5BU.

### 1. Accounting policies

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

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

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

#### Fund accounting

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

#### Incoming resources

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

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

#### Resources expended

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

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
- It includes grant instalments that have been paid to the partners subject to their adherence to their memorandum of understanding.
- 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.

The Innocent Foundation (a company limited by guarantee)

Registered No. 05054312

Charity No. 1104289

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**2. Donations**

	<i>Year ended 30 June 2016 £</i>	<i>Year ended 30 June 2015 £</i>
<i>Unrestricted</i>		
Innocent Ltd	950,000	950,000
Other	<u>12,810</u>	<u>1,317</u>
	<u>962,810</u>	<u>951,317</u>

**3. Income from Investments**

	<i>Year ended 30 June 2016 £</i>	<i>Year ended 30 June 2015 £</i>
<i>Unrestricted</i>		
Other	<u>5,649</u>	<u>7,979</u>
	<u>5,649</u>	<u>7,979</u>

**4. Other income**

	<i>Year ended 30 June 2016 £</i>	<i>Year ended 30 June 2015 £</i>
<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>

The Innocent Foundation (a company limited by guarantee)

Registered No. 05054312

Charity No. 1104289

## 5. Grant making costs

	Year ended 30 June 2016 £	Year ended 30 June 2015 £
<i>Unrestricted donations</i>		
Find your Feet	30,000	21,657
ADD	36,582	31,134
Jeevika Trust	11,969	5,800
PHASE Worldwide	21,709	-
Send a Cow	20,362	71,244
IDE	34,332	31,165
Feedback Madagascar	26,858	32,358
Hope for Children	-	9,029
Inga Foundation	13,334	10,441
Kids Company	-	75,000
Oxfam	100,000	190,000
Action Against Hunger	325,753	297,869
Ace Africa	31,156	8,610
Kew	40,371	27,031
The Matthew Tree Project	25,000	24,987
Mayor Fund for London	18,447	25,000
Make Lunch	24,286	12,019
Trussell Trust	20,789	20,789
	<u>780,948</u>	<u>894,132</u>
<i>Grant management costs</i>		
80% of Foundation Manager's time	55,060	53,444
Governance Expenditure	<u>46,376</u>	<u>27,994</u>
	<u>882,384</u>	<u>975,570</u>

## 6. Employees

The Foundation Manager is co-employed by the Innocent Foundation and Innocent Ltd and she spends 100% of her time managing The Foundation. The Trustees, the Foundation Secretary and the Foundation Committee Members (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 £46,376 (2015 – £27,994) in governance expenditure which came in the form of professional charges, website charges, holiday pay accrual and 20% of the Foundation Manager's salary. The increase in 2016 is predominantly due to the seed funding evaluation project included in governance expenditure at a cost of £19,218 (2015 – £nil). Administrative expenditure includes £4,740 in respect of the Auditor's remuneration (2015 – £5,112).

**The Innocent Foundation (a company limited by guarantee)**

Registered No. 05054312

Charity No. 1104289

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No remuneration was paid to the Trustees. Three Trustees claimed £827 for travel expenses (2015 - £155).

**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 £22,488 (2015 – £6,325) comprises of the Auditor's fee, holiday pay accrual and outstanding salary accrual owed to Innocent Ltd for the Foundation Manager's salary.

	30 June 2016 £	30 June 2015 £
Audit fee (including VAT)	4,740	5,112
Other	<u>17,748</u>	<u>1,213</u>
	<u>22,488</u>	<u>6,325</u>

**10. Financial Instruments**

Financial Assets measured at amortised cost: Cash held £2,858,387 (2015: £2,706,149)

Financial Liabilities measured at amortised cost: Creditors £22,488 (2015: £6,325)

Total interest income for basic financial assets was £5,649 (2015: £7,979)

**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 £486,475 (2015 – £1,046,436) of funding to support identified organisations. The funding is dependent upon those organisations meeting specific performance criteria.

**13. Related party transactions**

Innocent Ltd and its shareholders donated £950,000 to The Foundation during the 12 month period to 30 June 2016 (2015 - £950,000). In addition, Innocent Ltd paid The Foundation £50,000 (2015 - £50,000) for a licence fee which allows the company to use The Foundation's logo with limitations. Three of the Trustees, Richard Reed, Adam Balon and Jonathan Wright were shareholders of Innocent Ltd's parent company during the year, however no shares were held at the year end. Two Trustees, Douglas Lamont and Alison Wilson, are employed by Innocent Ltd. Kate Franks is the only key management personnel and is co-employed by Innocent Ltd as The Foundation Manager. She works out of the Innocent Ltd head office in London and works with

The Innocent Foundation (a company limited by guarantee)

Registered No. 05054312

Charity No. 1104289

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Innocent employees (The Foundation Committee members and two Trustees). During the year Innocent Limited incurred £68,825 (2015: £66,805), in respect of Kate Frank's employment costs. This was recharged to The Foundation and at the year-end £16,499 (2015: £ nil) was outstanding and owed to Innocent Ltd.

**14. Transition to FRS 102**

	<i>At 1 July 2014</i>	<i>30 June 2015</i>
	£	£
Reserves (as previously stated)	2,666,826	2,701,307
Holiday pay accrual	<u>(728)</u>	<u>(1,213)</u>
	<u>2,666,098</u>	<u>2,699,824</u>

Reconciliation of 2015 surplus for the period

2015 Surplus as previously stated	34,211
Holiday pay accrual	<u>(485)</u>
2015 Surplus as stated	<u>33,726</u>