

The Innocent Foundation
(A company limited by guarantee)

Trustees' Report and Financial Statements

For the Year Ended 30 June 2023



The Innocent Foundation
(A company limited by guarantee)

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The Innocent Foundation
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Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 30 June 2023

Trustees

Adam Balon
Christina Archer
Camilla Knox-Peebles
Jon Wright
Nicholas Canney
Richard Reed
Sarah-Jane Norman

The Innocent Foundation Guardians

Alex Anthony
Alice Wall
Arantxa Calzado
Birgitta Sigurdardottir
Borja Alcat
Dan Jones
Elliot Day
Emma Fisher
Georgie Fogelman
Jiri Staats
Kate Northam
Laura Thompson
Leila Dekali
Linda Landin
Lindsey Steven
Luciana Anelli
Mayya Lukianenko
Mayya Marinova
Millie Cooper
Sam Woollett
Tariq Khan-Fontain
Tom Burchess
Tom Emberson
Ursi Kotratschek
Vika Vinnikova
Werdah Hussain

Employees

Foundation Director	Vanessa Fox	(resigned 30 April 2023)
	Amy Recknell	(from 1 July 2023)
Foundation Portfolio Manager	Amy Recknell	(until 30 June 2023)
	Connor Friesen	(from 1 July 2023)

The Innocent Foundation
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Reference and Administrative Details of the Charity, its Trustees and Advisers
For the Year Ended 30 June 2023

Address of Charity and Registered Office

The Innocent Foundation
342 Ladbroke Grove
London W10 5BU

Auditors

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

Bankers

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

Trustees' Report (continued)
For the Year Ended 30 June 2023

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 2023.

Trustees

Currently Trustees are elected and appointed on a need basis. As the sole Member of The Foundation, Innocent Limited appoints Trustees in agreement with the Trustees' Board. The Memorandum and Articles of Association support a minimum of three Trustees. Of the seven current Trustees, three Founder Trustees have been on the board since inception in 2004. Nick Canney and Sarah-Jane Norman are current employees of Innocent Limited and Christina Archer and Camilla Knox-Peebles are external appointments. Trustees serve a four-year term, with the option for the Trustees to reappoint. New Trustees attend suitable induction and training with The Foundation Director and existing Trustees to familiarise themselves with the charity, its governance and the context within which it operates.

Management

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

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

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

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

Legal status

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

Related Parties

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

Trustees' Report (continued)
For the Year Ended 30 June 2023

The Foundation is a member of the Association of Charitable Foundations and update our operating policies with reference to peers in this network.

Working in the context of COVID-19

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

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

1. Staying informed and adjusting plans.

We have continued to run in-person monitoring visits as travel restrictions normalise. We continue to solicit updates from partners on financial and operational pressures arising from COVID-19, as well as mitigation plans. These written and verbal updates take place during our bi-annual reporting cycle and alert us to necessary adjustments to project plans, budgets and terms.

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

2. Flexibility.

During the reporting period, critical hunger, economic impacts (e.g. state fertilizer subsidy), and continued logistical backlogs have delayed or changed partners' plans. As a result, during the reporting period we granted a no-cost extension to Action Against Hunger UK; we adapted project objectives with One Acre Fund; and rephased Renewable World's budget to create the necessary flexibility for partners to continue to pursue their outcomes in changing circumstances.

3. Budget increases.

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

This authority was not used in the reporting period.

4. Emergency funding.

The Foundation has not made any further COVID-19 emergency grants during the reporting period, however in accordance with our reserves policy, we have allocated £200,000 which Trustees can utilise in response to future emergencies. In February 2023, £100,000 of this allocation was split equally between three partners (Concern Worldwide UK; Save the Children Fund UK; and Action Against Hunger UK) responding to the earthquake in Türkiye and Syria.

5. Partnership Fund.

Many NGOs have faced financial pressures arising from COVID-19, alongside growing needs within the communities they serve, putting well-run organisations in difficult positions. In November 2020, we launched our Partnership Fund making unrestricted grants to two partners (Action Against Hunger UK; Ripple Effect) to make operational and strategic changes to emerge from the COVID-19 crisis better able to deliver on their charitable objectives.

We made no new grants under the Partnership Fund in the reporting period and have not allocated new resources to the fund for the coming year.

Trustees' Report (continued)
For the Year Ended 30 June 2023

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 updated and approved annually by the Trustees. Where appropriate, systems or procedures have been established to manage the risks the charity faces. The Foundation Director continually monitors changes in risk levels or emergence of new risks that may impact upon the organisation and escalates any concerns to the Trustees. The Trustees consider the following to be the key risks that The Foundation faced during the reporting period:

- *NGO is unable to deliver project due to failure in internal financial controls; or project-, project office-, or organisational (group) failure:* We work through independent partners who deliver projects to alleviate hunger with our funding. There is a risk that some of the projects we support may fail to achieve their objectives if our partners lack the capacity to deliver, especially when operating in challenging contexts. It is also possible that a partner may experience other adverse events such as fraud, theft, safeguarding issues, or other incidents which harm their work, beneficiaries, or reputation. Apart from failing to deliver effective support to hungry people, this could also damage our reputation.

To mitigate these risks, we conduct thorough due diligence on our partners before providing funding. We adopt a risk-based approach, using risk factors including the size of the grant, the nature of the applicant, the nature of the project, the geographic location of the project and the nature of the relationship between The Foundation and the applicant. Our 'due diligence review' of grant applicants assesses organisational- and project finances; project planning and resourcing; organisation leadership, staffing and policy frameworks; reputation and references; and relationship to prospective service users. We monitor all our projects biannually through a formalised report review process undertaken by a member of the foundation team and a Project Guardian. This includes accounting for departures from planned project spending and participating in a financial health check if regular reporting signals risks to financial stability. We also ask our partners to inform us if they report a Serious Incident to the Charity Commission. Where concerns are noted, we provide feedback to partners and follow up on minor issues. If major concerns arise, our standard grant agreement terms and conditions enable us to terminate a grant. We encourage open conversation with our partners on their adaptation (ways of working, financing) to external pressures.

- *Internal financial control failure:* Risks are minimised by the implementation of procedures for authorising and recording 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. For example, due to the close working relationship with our donor and the small foundation team, our auditor considers both *revenue recognition* and *management override* as two inherent risks of our model. We mitigate against these by providing our auditor with records of planned budget and actual spend, alongside banking records and a sample of relevant contracts/agreements. Our finance Guardians and foundation staff meet bi-monthly to review and update financial schedules of spend.
- *Loss of key staff:* The Foundation usually operates with two employees. Inevitably resources are spread thinly, and detailed knowledge of operations is concentrated. To mitigate this, an operations manual exists to document key resources and processes. Two Finance Guardians are responsible for financial reporting, analysis and managing the annual audit to ensure knowledge and experience is shared.
- *Risk to reputation of foundation or donor:* the innocent foundation and its donor innocent drinks work hard to maintain a high standard of operations. Negative public discourse on the ethics, sustainability or effectiveness of the foundation or its donor could damage our reputation, our partnerships, and our ability to operate efficiently for the benefit of our partners and their service-users. We have robust processes in place to address and learn from negative public discourse and follow weekly alerts on public forums.

Trustees' Report (continued)
For the Year Ended 30 June 2023

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 the reporting period, our grant-making policy states that we will fund work under two interrelated goals:

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

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

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

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

During the reporting period, the foundation consulted stakeholders including service users, partners and our donor, to inform our next five-year strategy (in development).

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 £950,360 in donations (year ended 30 June 2022: £949,730). In addition, Innocent Limited paid £50,000 to The Foundation as a licence fee. The charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

The Foundation gave grants to organisations (detailed below) with total donations amounting to £1,040,552 in the year (year ended 30 June 2022: £881,981). The Foundation works closely with project partners to ensure the greatest impact of the funds it invests in projects.

Trustees' Report (continued)
For the Year Ended 30 June 2023

During the reporting period, The Foundation started or sustained partnerships with 15 organisations. Of these, 3 received emergency funds to respond to the earthquake in Türkiye/Syria. These are listed in the table below (n.b. table reflects payment actuals in the reporting period, whereas accounts have been prepared on an accruals basis). Where projects have reported substantive new outputs during the reporting period which have not been shared in previous reports, further details are shared below. We work in collaboration with our partners to achieve specific project objectives. These objectives are mutually agreed at the outset of each project and are set out in a signed Memorandum of Understanding or Deed of Grant (depending on the size of the grant). Progress against project objectives is monitored through six monthly reports.

Partner	Partner based in (country):	Project in (country):	Total pledged (£):	Paid in reporting period (£):
<i>Action Against Hunger UK (Türkiye/Syria earthquake)</i>	UK	Türkiye/Syria	£33,333	£33,333
<i>AfriFarms</i>	UK	Kenya	£46,921	£11,350
<i>Aga Khan Foundation</i>	UK	Madagascar	£101,550	£20,369
<i>ALIMA</i>	France	DRC	£755,848	£14,758
<i>Concern Worldwide UK (Family MUAC Research)</i>	UK	Kenya	£300,000	£82,725
<i>Concern Worldwide UK (Türkiye/Syria earthquake)</i>	UK	Türkiye/Syria	£33,333	£33,333
<i>Empowering Farmers Foundation</i>	Kenya	Kenya	£151,406	£77,419
<i>KickStart International</i>	US	Multiple (SSA)	£360,000	£200,000
<i>Madagascar Biodiversity Centre</i>	Madagascar	Madagascar	£271,144	£0
<i>myAgro</i>	US	Senegal	£200,000	£33,333
<i>Northern Rangelands Trust</i>	Kenya	Kenya	£148,074	£82,535
<i>One Acre Fund</i>	UK	Kenya	£150,000	£105,000
<i>Renewable World</i>	UK	Nepal	£154,166	£38,104
<i>Save the Children Fund UK (iCCM+)</i>	UK	Somalia	£600,000	£144,451
<i>Save the Children Fund UK (Türkiye/Syria earthquake)</i>	UK	Türkiye/Syria	£33,333	£33,333
<i>Semilla Nueva</i>	US	Guatemala	£150,003	£50,003
<i>SoteHub</i>	Kenya	Kenya	£198,000	£0

Trustees' Report (continued)
For the Year Ended 30 June 2023

Goal 1 Grants

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

During the reporting period, AAH has developed and approved their new research protocol; trained 20 CHWs on management of acute malnutrition and research activities; begun monthly support for- and data collection from CHWs. In the ten months to December 2022, CHWs screened 5,425 children under five for acute malnutrition using mid-upper arm circumference measurement. 163 children were admitted into the study.

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

During the reporting period Concern has set-up their research team; developed their research design and submitted their Ethic Research Protocol to the KEMRI Ethic Research Committee. In the year to March 2023, Concern undertook their baseline survey of 1,394 households in the intervention- and control groups, as well as running training for the former. The survey found that screening coverage was below 50% in both groups but that screening effectively promoted referral to a health facility (referral rate between 76-87%). 4% of children with moderate acute malnourishment (MAM) in the control group reached hospital and were enrolled in a treatment programme, whereas 75% of children in the intervention group were. Analysis of cost and cost effectiveness found transportation was a significant cost for families and care providers, and that this could be managed by moving screening and services closer to home.

Save The Children, Somaliland (Apr 2022 – July 2025): This project, '*Shifting the Dial in Acute Malnutrition: part of Save the Children's Global Malnutrition Initiative*' is specifically focusing on using a simplified, combined approach for treatment of acute malnutrition and an integrated community case management platform (iCCM+) for acute malnutrition treatment. Analysis in 2019 found that only 18.7% of children with severe acute

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For the Year Ended 30 June 2023

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

Legal delays with partnership contracts alongside a funding gap have delayed the start of the project. The Foundation granted a no-cost extension to July 2025. During the reporting period 1 July 2022 to 30 June 2023: a pilot study on iCCM+ was conducted in five selected iCCM sites and two reserve sites to test, improve and refine the prototype for scale up in the main study. An iCCM+ Research Design workshop was held to officially launch the iCCM+ research project. Save the Children and Ministry of Health Development (MOHD) teams conducted monthly supportive supervision visits to iCCM+ sites to provide technical support and guidance to FHWs and document most common challenges and lesson learnt for better implementation. Community mobilisation and sensitisation was conducted in the iCCM+ sites to orientate the target community on iCCM+ services and improve community acceptance.

Goal 2 Grants

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

Aga Khan Foundation, Madagascar (Jul 2019 – Oct 2023): The Foundation has funded the Aga Khan Foundation's project to promote better rice growing practices as rice grown locally does not meet national demand and must be supplemented with rice imports. The SPEEDRICE project trained farmers to grow more, better quality rice using something called the Zanatany Rice Permaculture System (ZRPS). ZRPS includes labour-saving and climate-smart techniques such as direct seeding; farm-made inputs; crop rotation; and no-till methods. This project aimed to help 20,000 farmers grow up to 50% more rice.

By the end of December 2022, 22,054 farmers had been trained, surpassing project goals by 10%. Direct seeding remains the most popular method, adopted by 8,116 farmers total; self-production of inputs has been adopted by 5,073 farmers; crop association and rotation has been adopted by 2,836 farmers; and minimum or no-till, which has had the least uptake through the programme, has been adopted by 111 farmers. Offering farmers a 'menu' of interventions at different commitment-levels appears to have encouraged adoption.

We are proud to report that the Aga Khan Foundation has won funds to scale up this method in Madagascar's central plateau and in India. The final phase of the project has focused on creating resources for smallholders and service organisations to carry the method forward. This project has been granted a no-cost extension to October 2023 to complete these resources and final reporting.

Empowering Farmers Foundation, Kenya (Jun 2022 - Jul 2025): The Foundation is supporting the Empowering Farmers Foundation (EFF) to revive cashew farming and introduce finger millet intercropping in Matsangoni Ward, Kilifi County, Kenya, where cashew farming has declined due to powdery mildew, mealy

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bug, and aging tree stock. EFF will grow and distribute a higher-yielding cashew variety which is brand new to Kenya; provide extension services and support to maintain existing and the new cashew trees while

introducing finger millet, a healthy staple; and promote the leadership and interests of a farmers' cooperative to secure good prices on the cashew cash crop. EFF will work with 3,300 farmers and aims to improve both household income and health.

In the year to June 2023, EFF established 150 farmer groups, each guided by a lead farmer who is receiving continuous training and upskilling on cashew agronomy and care, as well as soil fertility and water conservation. 100,050 cashew seedlings were propagated and distributed during the April-June rainy season to 3,618 farmers. A cashew farmer cooperative was formally registered and trained, and they managed to secure a small pilot offtake agreement during the December 2022 harvest season. EFF also ran a 6-month long publicity and sensitization campaign aimed at the reintroduction of finger millet as a more nutritious and drought-resistant alternative to maize. This was done through working with community health volunteers, running school awareness camps, organizing women's cooking workshops, setting up demo plots for training, participating in radio talk shows, printing branded collateral (posters, murals, t-shirts), and producing a catchy jingle. This culminated in 1,050 farmers receiving certified finger millet seeds which were planted during the rains on a quarter of an acre each.

KickStart International, multiple countries (Mar 2021 to Feb 2024): Having supported research and development of KickStart's Starter Pump, this grant aims to help KickStart launch the pump across Sub Saharan Africa where climate change is negatively impacting rainfall, and rain-fed crops. During the three-year programme, KickStart hopes to work with 81 partners and 69 agri-dealers to distribute 12,000 pumps across Kenya, Zambia, Malawi, South Sudan, Uganda, Rwanda, Mozambique, and Nigeria. The project will also test different ways of reaching smallholder farmers (new financing models, entrepreneurship training, subsidies) and evaluate interventions using an impact study to understand how farm yields and income changes over time.

From project launch to the end of June 2023, over 10,600 Starter Pumps have been officially sold and distributed. Kickstart is partnering with 31 total organisations across all countries in the innocent foundation project and 49 agri-dealers. Kickstart held product launches in Kenya, Malawi, Mozambique, Nigeria, Rwanda, Uganda, and Zambia. Kickstart launched in South Sudan on June 8th, 2023.

Madagascar Biodiversity Centre (Jun 2023 – Jul 2026): the Madagascar Biodiversity Centre (MBC; also known as Valala Farms) is a Malagasy NGO and sister organisation to the California Academy of Sciences in San Francisco, USA. The team comprises leading entomologists promoting conservation by researching and testing new uses for bugs in a changing climate. Today in Madagascar, c. 1/3 of children under five are stunted, and 7.4m are deficient in protein, iron, and vitamin B12. Meanwhile, drought and cyclones impede domestic food production. The UN has declared a 'Climate Famine'. Meanwhile, 95% of food aid is being imported. With funding from the Innocent Foundation, MBC plans to scale up domestic cricket production, producing protein- and iron-rich food for 12,000 individuals during the project. They also plan to establish 3 experimental farms to test low-to-no-cost cricket feeds from local agricultural sources. Finally, they plan to publish 2 peer-reviewed papers on their findings.

The project launched at the end of June 2023 and has no impacts to report to the end of the reporting period.

myAgro, Senegal (Jan 2020 – Dec 2022): myAgro is a non-profit social enterprise that reaches smallholder farmers through a network of Village Entrepreneurs, encouraging them to save up their own funds to invest in high-quality seed, fertiliser, tools, and agricultural training packages to significantly increase their yields and income. Using mobile phone scratch cards and mobile money, farmers can save up small amounts of money each week towards a complete package of agricultural inputs delivered just in time for planting. With our funding, myAgro worked to expand in Senegal and test new vegetable packages for farmers, especially women farmers, in the Casamance region.

During the project term, accounting for repeat enrolment, myAgro enrolled 64,198 farmers against a project target of 75,000; met targets on female farmers reached (40%) and packages developed for sale (5);

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surpassed targets on villages served (2,737 vs 1,616). Impact: compared to a control group, myAgro farmers had 155% higher yields and earned an average of USD394 more than non-participating farmers. This is all part of their 'North Star' aim to help 1 million small-scale farmers to increase their income by \$1.50 per day by 2026.

Northern Rangelands Trust (Jun 2022 – Oct 2024): the Northern Rangelands Trust (NRT) is a Kenyan non-profit organisation working to preserve nature through the conservancy model while advancing the interests of local pastoral, agrarian and fishing communities to achieve food security and stable income. They work with community boards of nature conservancies covering 63,000km² of territory across Kenya. With funding from the innocent foundation NRT plans to work with five community conservancies (Ndera, Hanshak-Nyongoro, Lower Tana, Ngare Ndare and Biliqo-Bulesa) to achieve food security goals set out by their community boards. The conservancies of Ndera, Hanshak-Nyongoro, and Lower Tana plan to install solar-powered fences to reduce human/wildlife conflict on 13 farms; procure 13 irrigation pumps; and distribute 5,000 mango seedlings. Ngare Ndare conservancy plan to establish 60 domestic water pans and tanks for rainwater harvest. Biliqo-Bulesa conservancy plan to build a bee-house for community use. NRT responds to changing conservancy needs and we expect these activities to adapt to changing conditions as the project progresses.

From project launch to April 2023, NRT has held consultations with the community conservancies in Ndera, Lower Tana and Hanshak-Nyongoro; they have delayed establishing mango nurseries due to late rains; Biliqo-Bulesa has adapted their plan from building beehives to establishing irrigation due to drought and a consequent lack of flowering plants in the area. Procurement has begun for project materials.

One Acre Fund, Kenya (Jun 2022 - Jul 2024): The Foundation is supporting One Acre Fund (1AF) to market Kickstart's irrigation pumps to smallholder farmers across Kenya via 'irrigation agents'. In Kenya, and across much of SSA, many smallholder farmers rely on rain-fed agriculture. Rains are becoming less reliable in a changing climate, impacting yields and income. In this context, irrigation pumps are valuable but costly and, with the price of other farm inputs on the rise, farmers may hesitate to invest. One Acre Fund aims to enable farmers to take the leap into irrigation with a 'rent-to-try-and-buy' model. At the outset of the project, One Acre Fund had the ambitious aim of engaging 192,880 farmers through 12,055 agents to make 28,932 pump sales during the project term.

Internal restructuring and external factors (e.g., state fertilizer subsidy) have impacted project activities. From the project launch to the end of June 2023, 1AF has onboarded 28 irrigation agents, engaged 280 farmers, and sold 120 pumps, below targets. At the end of the reporting period, the innocent foundation was in discussion with 1AF about future activities.

Renewable World, Nepal (Mar 2020 – Oct 2023): We worked with Renewable World to tackle hunger in Nepal using innovative plastic bag biodigesters. 50 million homes around the world use biodigesters as a healthy alternative to coal, wood, or dung for cooking. Renewable World proposed to support these households even more, by making organic fertiliser as a by-product of generating biogas. Organic material is added to the biodigester and is broken down by bacteria in an oxygen-free environment to create biogas, a cheap source of renewable energy replacing more expensive and harmful fuels. The slurry that is left over can be turned into highly productive organic fertiliser and used to grow food crops. It is a great way of solving multiple problems at once, bringing long term change to Nepal's hungry by improving farming, strengthening livelihoods, and producing clean energy. This project proposed to improve yield in 50% of households in 12 rural communities.

From project launch to May 2023, bag digesters have been installed at 12 sites and are producing gas and slurry. 758 individuals have taken part in multiple training sessions to improve agricultural outputs for themselves and 3,032 family members. We expect an evaluation of project impacts in the coming reporting period. The budget has been rephased following project delays and final reporting is expected in November 2023.

Semilla Nueva, Guatemala (Oct 2020 – Jul 2023): In Guatemala corn accounts for 50% of rural diets and the country has the world's sixth highest rate of malnutrition. Today, 46% of children suffer from stunting and 70% of farming families live in poverty. Semilla Nueva has produced a biofortified seed that yields more corn

Trustees' Report (continued)
For the Year Ended 30 June 2023

and better-quality corn, for a lower cost to farmers. Their corn has 39% more zinc (in Guatemala a third of children are zinc deficient) and 19% more iron (another common deficiency in Guatemala). Semilla Nueva is using our funding to help incentivise local commercial producers to add biofortified seed to their portfolio. This enables the seed to reach even more families while preserving the low price point for farmers. During this project Semilla Nueva proposed to improve the climate resilience and incomes for 29,000 farmers with their biofortified seed thereby improving nutrition for 7 million people in Guatemala, while refining the best way to partner with the private sector as a precursor to national roll-out. Ultimately, Semilla Nueva would like to see the government incentivise wider distribution of biofortified corn.

Over the project term to the end of June 2023, Semilla Nueva has reached 35,000 farming families. They report that 1.49m individuals have improved their nutrition with the bio-fortified seed (302,057 individuals are planting/consuming seed and 1,197,672 individuals are consuming it). They are undertaking an external evaluation to determine the seed's impact on nutrition (especially zinc deficiency). Results will be available in January 2024. In the meantime, Semilla Nueva has shown that their seeds stand up well in a changing climate with yields surpassing commercial seed brands by 15-24% following extreme weather events. They appear unlikely to meet their most ambitious original target (7m individuals consume some biofortified maize) but have made impressive strides and have plans in development for national and international expansion following the project period.

SoteHub (Jun 2023 – Jan 2026): SoteHub is a Kenyan non-profit and enterprise incubator specialising in rural businesses, youth and tech. Based on the coast, they have worked with youth-led enterprises incl. seaweed farms, hydroponics, tech upcycling and conservation cafes. With funding from the innocent foundation SoteHub plans to get low-income farmers in Kenya's coastal region of Kilifi County a larger piece of the profits for their mangos with a tech-assisted value-chain.

Today, in coastal the region, smallholders grow mango for food and income, but crop quality varies, and the value chain is informal, leading to post-harvest losses and poor pay per-mango for farmers. SoteHub aims to support 1,000 farmers at risk of food insecurity in coastal Kenya to increase yield and income from mango farming through training (topics: orchard management, irrigation, inter-cropping, pest control, pricing); improved tree stock (distribute 70,000 seedlings grafted with higher-yielding mango variety); and access to a market newly regulated by blockchain-assisted tracking (accessible via website).

The project launched at the end of June 2023 and has no impacts to report to the end of the reporting period.

Emergency Fund Grants

Context: On 6 February 2023, a 7.8 magnitude earthquake and its aftershocks struck Türkiye and Syria killing tens of thousands of people. The innocent foundation maintains a rolling emergency fund to respond to need in exceptional circumstances. On 15 February 2023, the foundation used £100,000 from the emergency fund to make three unrestricted grants of £33,333 to three current partners with active emergency responses in the region: Action Against Hunger UK; Concern UK; and Save the Children Fund UK. We expect impact reports outside the reporting period.

Investment and reserves policy

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

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

By committed income, we mean the current bank balance of The Foundation, held in immediately available or short-term deposit accounts plus all pledged income for the future (currently £1million per annum for a minimum of 3 years, subject to certain conditions). By committed expenditure we mean all committed

Trustees' Report (continued)
For the Year Ended 30 June 2023

expenditure for active projects plus 6 months wind down costs (estimated at £90,000) plus £200,000 for exceptional circumstances grants.

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

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

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

At the end of the reporting year, our total funds held were £2,113,077 (year ended 30 June 2022: £2,335,989). Of this, £1,389,169 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 £723,908 is uncommitted reserves. This meets the requirements of our stated reserves policy.

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

Going Concern

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

Future plans

In 2023-24, we will continue to support the twin goals identified in our 2018 strategic review:

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

We will focus our time, money, and expertise on our search for partners who need our support to test and scale their great ideas. We will continue our policy of spending down our reserves over the coming year in pursuit of our ambitions. Meanwhile, we will continue our strategic review, focusing our grant-making based on our learning from past experiences, challenges, and successes, as well as feedback from partners over the foundation's 19-year history.

Trustees' Report (continued)
For the Year Ended 30 June 2023

Disclosure of information to auditors

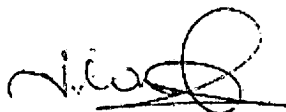
So far as each of the Trustees at the time the report is approved are aware:

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

Small companies exemption

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

Approved by the trustees and signed on their behalf by:



Jonathan Wright
Trustee

Date: 18/01/2024

The Innocent Foundation
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the Year Ended 30 June 2023

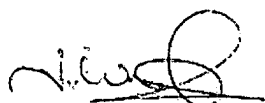
The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

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



Jonathan Wright

Date: 18/01/2024

Independent Auditors' Report to the Members of The Innocent Foundation

Opinion

We have audited the financial statements of The Innocent Foundation (the 'charity') for the year ended 30 June 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

The Innocent Foundation
(A company limited by guarantee)

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

The Innocent Foundation
(A company limited by guarantee)

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

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

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

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

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

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

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

Use of our report

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

UHY Kent LLP

Tracey Moore BFP ACA (Senior statutory auditor)

for and on behalf of

UHY Kent LLP

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date: 25 January 2024

The Innocent Foundation
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 30 June 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Donations and legacies	3	950,360	950,360	949,730
Investments	4	65,996	65,996	51,025
Total income		1,016,356	1,016,356	1,000,755
Expenditure on:				
Charitable activities	5	1,239,268	1,239,268	1,085,815
Total expenditure		1,239,268	1,239,268	1,085,815
Net movement in funds		(222,912)	(222,912)	(85,060)
Reconciliation of funds:				
Total funds brought forward		2,335,989	2,335,989	2,421,049
Total funds carried forward	13	2,113,077	2,113,077	2,335,989

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

The notes on pages 23 to 33 form part of these financial statements.

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

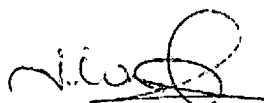
Balance Sheet
As at 30 June 2023

	Note	2023 £	2022 £
Current assets			
Debtors	10	1,000,210	1,000,090
Cash at bank and in hand		1,453,869	1,596,188
		<u>2,454,079</u>	<u>2,596,278</u>
Creditors: amounts falling due within one year	11	(341,002)	(260,289)
Net current assets		<u>2,113,077</u>	<u>2,335,989</u>
Total net assets		<u><u>2,113,077</u></u>	<u><u>2,335,989</u></u>
Charity funds			
Unrestricted funds	13	<u>2,113,077</u>	<u>2,335,989</u>
Total funds		<u><u>2,113,077</u></u>	<u><u>2,335,989</u></u>

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

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

The financial statements were approved and authorised for issue by the Trustees on 18/01/2024
and signed on their behalf by:



.....
Jonathan Wright

The notes on pages 23 to 33 form part of these financial statements.

The Innocent Foundation
(A company limited by guarantee)

Statement of Cash Flows
For the Year Ended 30 June 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	15	(158,313)	(820,006)
Cash flows from investing activities			
Dividends, interests and rents from investments		15,996	1,025
Net cash provided by investing activities		15,996	1,025
Change in cash and cash equivalents in the year		(142,317)	(818,981)
Cash and cash equivalents at the beginning of the year		1,596,188	2,415,169
Cash and cash equivalents at the end of the year	16	<u>1,453,871</u>	<u>1,596,188</u>

The notes on pages 23 to 33 form part of these financial statements

Notes to the Financial Statements
For the Year Ended 30 June 2023

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

2.2 Going concern

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

2.3 Income

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

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

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

Donated services

Where services are donated to the Foundation that would normally be purchased from suppliers, this contribution is included in the Statement of Financial Activities based on the value of the contribution to the Foundation.

Notes to the Financial Statements
For the Year Ended 30 June 2023

2. Accounting policies (continued)

2.4 Expenditure

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

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

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

2.5 Foreign currencies

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

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

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

2.6 Taxation

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

2.7 Intangible assets

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

2.8 Debtors

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

Notes to the Financial Statements
For the Year Ended 30 June 2023

2. Accounting policies (continued)

2.9 Cash at bank and in hand

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

2.10 Liabilities and provisions

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

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

2.11 Financial instruments

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

2.12 Pensions

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

2.13 Fund accounting

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

3. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	950,360	950,360	949,730
	<hr/>	<hr/>	<hr/>
<i>Total 2022</i>	949,730	949,730	
	<hr/>	<hr/>	

The Innocent Foundation
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 30 June 2023

4. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Licence fee	50,000	50,000	50,000
Bank interest	15,996	15,996	1,025
Total 2023	65,996	65,996	51,025
<i>Total 2022</i>	<i>51,025</i>	<i>51,025</i>	

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £	Total 2022 £
Hunger alleviation	1,239,268	1,239,268	1,085,815
<i>Total 2022</i>	<i>1,085,815</i>	<i>1,085,815</i>	

6. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Grant funding of activities 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Hunger alleviation	142,115	1,040,552	56,601	1,239,268	1,085,815
<i>Total 2022</i>	<i>151,128</i>	<i>881,981</i>	<i>52,706</i>	<i>1,085,815</i>	

Notes to the Financial Statements
For the Year Ended 30 June 2023

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs (note 8)	142,115	151,128

Analysis of support costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs (note 8)	35,529	37,184
Auditor's remuneration - audit of the Charity's annual accounts	6,930	6,300
Governance costs	14,142	9,222
Total 2023	56,601	52,706

Governance costs incurred in the year comprise professional charges for advice provided to Trustees and professional subscriptions (2022: professional charges and website charges).

7. Analysis of grants

	Grants to Institutions 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Grants payable	1,040,552	1,040,552	881,981
<i>Total 2022</i>	<i>881,981</i>	<i>881,981</i>	

The Innocent Foundation
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 30 June 2023

7. Analysis of grants (continued)

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

	2023	2022
	£	£
Name of institution		
Action Against Hunger (Mali)	133,258	99,925
AfriFarms (Kenya)	11,350	-
Aga Khan Foundation (Madagascar)	20,369	36,499
ALIMA (Democratic Republic of the Congo)	-	29,516
Concern Worldwide (Kenya)	190,444	138,835
Empowering Farmers Foundation	26,455	50,964
Kickstart International (Kenya, Malawi, Mozambique, Nigeria, Rwanda, South Sudan, Uganda, Zambia)	130,000	120,000
Madagascar Biodiversity Centre	66,144	-
myArgo (Senegal)	33,333	66,668
Northern Rangelands Trust (Kenya)	82,535	-
One Acre Fund	45,000	60,000
Practical Action (Malawi)	-	(6,440)
Renewable World (Nepal)	24,377	54,211
Save the Children	177,784	144,451
Semilla Nueva (Guatemala)	50,003	70,000
Send a Cow (Zambia)	-	17,352
SoteHub	49,500	-
	<u>1,040,552</u>	<u>881,981</u>
	<u>1,040,552</u>	<u>881,981</u>

8. Staff costs

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

	2023	2022
	£	£
Wages and salaries	154,897	164,608
Social security costs	15,509	16,705
Contribution to defined contribution pension schemes	7,238	6,999
	<u>177,644</u>	<u>188,312</u>

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Notes to the Financial Statements
For the Year Ended 30 June 2023

8. Staff costs (continued)

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

	2023	2022
	No.	No.
Staff	3	4

The number of employees whose total employee benefits (excluding employer pension costs and employer's national insurance contributions) exceeded £60,000 was:

	2023	2022
	No.	No.
In the band £70,001 - £80,000	1	-

The key management personnel of the charity comprise the trustees and the senior management team. The total employee benefits (including social security costs and employer pension contributions) of the key management personnel were £90,064 (2022 - £43,050).

Allocation of staff costs

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

	2023	2022
	£	£
Direct costs in support of grant management (note 6)	142,115	151,128
Support and governance costs (note 6)	35,529	37,184
	<u>177,644</u>	<u>188,312</u>

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 30 June 2023, expenses totalling £433 were reimbursed or paid directly to 1 Trustee (2022 - £Nil) relating to travel.

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Notes to the Financial Statements
For the Year Ended 30 June 2023

10. Debtors

	2023 £	2022 £
Due within one year		
Other debtors	1,000,210	1,000,090
	<u>1,000,210</u>	<u>1,000,090</u>

11. Creditors: Amounts falling due within one year

	2023 £	2022 £
Accruals and deferred income	51,047	50,840
Grants accrued - institutional	289,955	209,449
	<u>341,002</u>	<u>260,289</u>

12. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets measured at fair value through income and expenditure	1,453,869	1,596,188
	<u>1,453,869</u>	<u>1,596,188</u>

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

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Notes to the Financial Statements
For the Year Ended 30 June 2023

13. Statement of funds

Statement of funds - current year

	Balance at 1 July 2022 £	Income £	Expenditure £	Balance at 30 June 2023 £
Unrestricted funds				
General Funds	2,335,989	1,016,356	(1,239,268)	2,113,077

Statement of funds - prior year

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

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Current assets	2,454,079	2,454,079
Creditors due within one year	(341,002)	(341,002)
Total	2,113,077	2,113,077

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Notes to the Financial Statements
For the Year Ended 30 June 2023

14. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

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

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

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	(222,912)	(85,060)
Adjustments for:		
Dividends, interests and rents from investments	(15,996)	(1,025)
Increase in debtors	(120)	(983,755)
Increase in creditors	78,781	249,834
Net cash used in operating activities	<u>(160,247)</u>	<u>(820,006)</u>

16. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	1,453,871	1,596,188
Total cash and cash equivalents	<u>1,453,871</u>	<u>1,596,188</u>

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Notes to the Financial Statements
For the Year Ended 30 June 2023

17. Analysis of changes in net debt

	At 1 July 2022	Cash flows	At 30 June 2023
	£	£	£
Cash at bank and in hand	1,596,188	(142,319)	1,453,869
	<u>1,596,188</u>	<u>(142,319)</u>	<u>1,453,869</u>

18. Grant commitments

At the year end the charity had committed £1,389,169 of funding to support identified organisations by the end of 2026 (2022 - £1,114,235 by the end of 2024). The funding is dependent upon those organisations meeting specific performance criteria. As such, these have not been recognised as a liability in the accounts. These commitments will be funded from unrestricted reserves.

19. Pension commitments

The Foundation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of The Foundation in an independently administered fund. The pension cost charge represents contributions payable by The Foundation to the fund and amounted to £7,238 (2022 - £6,998). No amounts were outstanding to be paid over to the pension scheme at the year end.

20. Related party transactions

Innocent Limited ('the company') and its shareholders donated £950,000 to The Foundation during the 12-month period to 30 June 2023 (2022 - £950,000). In addition, Innocent Limited paid The Foundation £50,000 (2022 - £50,000) for a licence fee which allows the company to use The Foundation's logo with limitations. These amounts were communicated to The Foundation, but received subsequent to the Balance Sheet date. Accordingly £1,000,000 is included in debtors (2022: £1,000,000).

During the year Innocent Limited incurred £175,710 (2022 - £188,312) in respect of employment costs. As staff seconded from the company to The Foundation spend 100% of their time running The Foundation, this was recharged to The Foundation and at the year-end £36,057 (2022 - £38,414) was outstanding and owed to Innocent Limited.

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