



pennyappeal

# REPORT & FINANCIAL STATEMENTS

FOR THE PERIOD ENDING 31 DECEMBER 2021



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## ABOUT US

Penny Appeal is an award-winning, international and domestic relief humanitarian charity set up in 2009, providing poverty relief to over 30 crisis-hit countries around the world, as well as at home in the UK.

Our aims are simple - to transform lives and empower communities through effective immediate aid and long-term sustainable projects. Our work is inspired by the teachings of Islam, the uncompromising valuation of human life, and the spirit of selflessness advocated by the following Qur'anic verse:

**'...whoever saves a life, it is as if he has saved the entire humanity' (5:32)**

Our programmes consist of emergency support, short-term relief, and longer-term sustainable interventions, and have reached destitute, hard to reach and disadvantaged communities around the world.

By providing emergency food and medical aid, supporting women's empowerment initiatives, creating water solutions and supporting orphan care, we have helped to break the poverty cycle, empowering communities and creating enduring change for years to come.

Whilst we regularly provide support in 30 countries, over our history we have worked in over 60 countries around the world. Penny Appeal (the "Charity") creates high impact through asking people to donate just a few pennies each day, making charitable giving affordable and rewardable for donors and ensuring that everyone can play their part in helping the poor and needy.

## INTRODUCTION

**This is the Report and Financial Statements for the 8 month period to 31 December 2021.**

This is following a decision made by the Trustees to amend the Charity's reporting date to 31 December, in order to create greater consistency with the timing of the introduction of the Charity's new strategic plan and annual operational planning cycle.







## A MESSAGE FROM THE FOUNDER

The theme for our most recent Ramadan campaign – and for the recent period as a whole – was ‘Come Together.’

It goes without saying that the challenges of the past two years have reinforced the importance of togetherness within our communities. But in an increasingly atomised society marred by prejudice and intolerance, the importance of coming together has been clear since long before the pandemic. Through fostering a mutual understanding with one another, communities can build the foundations of a flourishing society. In the words of Rumi, we should “try to see a treasure in everyone.”

I would like to thank everyone who came together to support our charitable activities over this period. Words cannot express how grateful we are for your continued loyalty and generosity - it's thanks to people like you that we have been able to help millions of people in need over the past 13 years. We would not be able to make the impact we have without you, and we look forward to continuing working together to make the world a better place! I join with my colleagues at Penny Appeal in thanking our donors for enabling us, over our history, to help people in 60 countries; provide almost 20 million Ramadan meals; administer over 101,000 orphan sponsorships; build over 40,000 water systems and wells; and support over 2.5 million people in desperate need following humanitarian catastrophes.

The Muslim community is a vibrant and diverse one and at Penny Appeal we love to celebrate that. Over the last year we have been delighted to bring more of our legendary live events to stages across the country. Our Big Muslim Variety Show and Super Muslim Comedy Tour provided a fantastic opportunity for Muslims and non-Muslims alike to enjoy family friendly entertainment, engage with the community, and help raise funds for fantastic causes. We have also been busy connecting with our neighbours here in Wakefield by hosting community events such as our Eid Extravaganza, which allowed people to come together to celebrate unity, family, and shared values. There are many more fantastic events in the pipeline – make sure you don't miss out!



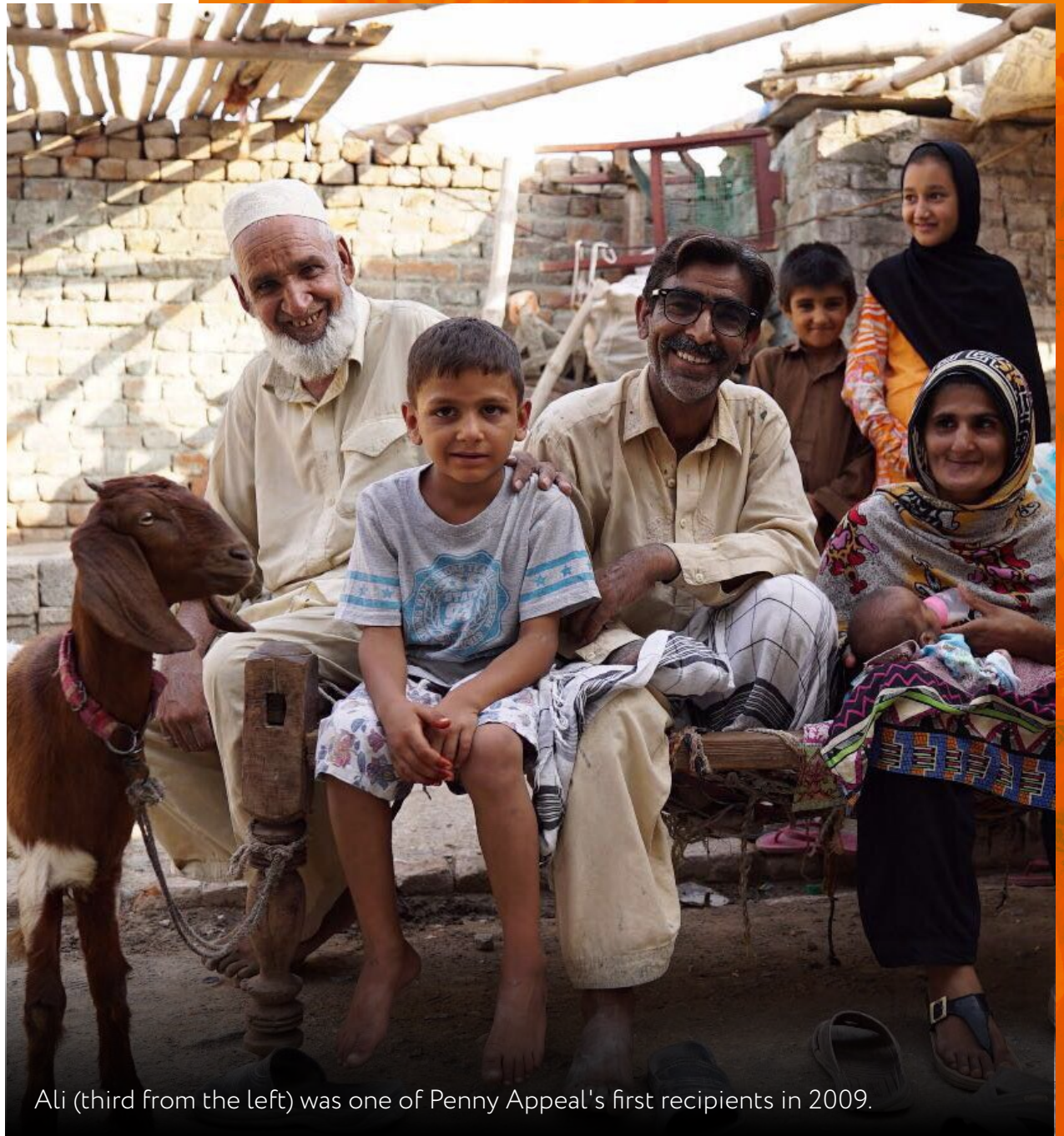
Change can be a force for good - a powerful tool for growth and progress. Here at Penny Appeal, we've never been afraid to adapt to new opportunities and experiences. This year saw us move permanently to our new Wakefield headquarters, launch new campaigns such as our 'Rebuilding Syria' project, and embrace new technologies to strengthen our impact.

Everyday advances in technology continue to transform the world we live in. Cryptocurrencies are changing the world as we know it - what started as a way for people to buy items anonymously has turned into a powerful tool that is shaking up traditional systems. Penny Appeal's donors are now able to give cryptocurrency such as Bitcoin, Ethereum, and many others safely and securely, helping us continue our life-saving work supporting communities in need around the world. Cryptocurrencies are being used to change the world of charity, and we're proud to be at the forefront of this revolution!

Penny Appeal's work is far from finished. Despite our successes, there are still millions of people who need our help. With your support, we can continue making a big difference in the lives of the vulnerable, both at home and abroad, for years to come.



**Adeem Younis**  
Founder & Trustee



Ali (third from the left) was one of Penny Appeal's first recipients in 2009.

# CHAIR OF TRUSTEES' STATEMENT

I have pleasure in presenting the Report and Financial Statements for the shorter 8 month period to 31 December 2021.

Going forward, we will once again present annual reports for each year to 31 December. The Trustees had made the decision to change the reporting date in order to allow the Charity to work more strategically and effectively towards our goals. For example, it will give us greater clarity when it comes to managing staff objectives within a calendar year framework. This will create consistency across our organisation as we move into the exciting next phases of our evolution.

Coming back to the present, this has been a period of revival and renewal for Penny Appeal; in many ways it has felt like a homecoming.

It has been several months since we moved into our new headquarters, Penny Appeal Campus in Wakefield, and the progress has been amazing. Staff have gradually started to return to office working after the pandemic, and the functioning environment has really begun to fully bed in. Being able to actually see and talk to your colleagues is an immeasurable improvement over remote meetings. Staff have relayed how great it is being able to share ideas with one another, work on teamwork projects, and generally get more done in person. I have visited the office and been delighted to see the enhancement in day-to-day operational activities. I'm looking forward to seeing the organisation grow even more in this new home.

Our Opening Day in March 2022 was a testament to this. The other Trustees and I were privileged to attend the beginning of this new chapter in the Penny Appeal story, to hear and deliver speeches, and to welcome staff and special guests to the campus. The networking sessions gave everyone the chance to meet with colleagues they hadn't met in person before. Overall, it was an excellent event that showcased how beneficial it is when staff come together.





The challenges of the pandemic remained throughout much of the reporting period, both programmatically and operationally. But with our excellent staff and with the help of our donors and supporters, we have remained resilient and dedicated to our mission, continuing our work while also providing additional initiatives both here in the UK and abroad.

Several highlights come to mind when I think of operational achievements over this period. We were honoured to win awards for our community outreach work during the pandemic and for our Adopt a Gran project in Jammu & Kashmir. Both our winter campaign, 'Tis the Season' and our Ramadan campaign, 'Come Together' harnessed the best talents of our creative departments while highlighting the importance of community, empathy, and togetherness. We launched our Community Kitchen, a mobile food truck which has served the needs of thousands of at-need communities across the UK. In Ramadan, we joined other faith leaders for an Interfaith Iftar at London Tower Bridge, celebrating meaningful dialogues that can create lasting change. Members of our Board and our senior leadership have given inspiring speeches at local schools about success, breaking down barriers, and navigating life's hurdles with resilience and respect.



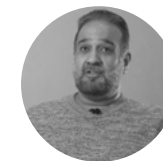
If this period has felt like a homecoming, then the next one is set to be a year of resurgence and reaffirming our vision. We remain committed to continuing to improve all aspects of the Charity's operations and governance. During the period the Charity's legal advisors conducted a detailed review of our governance framework. This review has now been completed and provided positive validation of the improvements that have been made as part of the Charity's improvement plan. But we are not being complacent – we will continue to drive forward with changes that ensure that we are fully prepared for the future, can justify the trust that our donors place in us, and fulfil the obligations that we have to those we seek to help.

Now is the time to see this vision through with greater energy than ever before. Let's embrace this energy and use it to create lasting change in the world - to transform small change into an even bigger difference for those who need us most!

*Mohammed Jahangir*

**Mohammed Jahangir**

Chair of Board of Trustees





## CEO'S REPORT

The financial period to 31 December 2021 was one of great change and internal growth for Penny Appeal. We have been carefully working to consolidate and reform our strategy and structures so they may better serve our vision of transforming small change into a BIG difference for those who need us most.

This period was marked by a focus on impact, innovation, learning, and growth, with new investments in our people and culture. This included conducting a recruitment drive to fill priority roles and furthering the wider plans of our revised 5-year strategic aims. Despite the setback caused by the pandemic we continued work on our premises, and in early 2022 we completed our official move to the new Penny Appeal Campus headquartered in Wakefield's Thornes Park. We are excited about the progress we have made and look forward to updating you in the future with all that is happening across our new site. The site is intended not just to be the Charity's new home, but a beacon of hope and activity within the local community as part of our work.

Throughout the period, the shocks of the Covid-19 pandemic were still being felt. The virus has caused unprecedented damage to struggling economies and burdened already weak healthcare infrastructure around the globe. The global response was constantly evolving, but the most vulnerable around the world experienced the pandemic as a crisis upon crisis, one that Penny Appeal was quick to respond to as best we could.

For example, Penny Appeal assisted with the vaccine distributions in Malawi, providing training and funding in rural communities. This allowed for thousands of vaccine doses to be administered to struggling local communities – the communities left behind, like many others, during the global vaccine rollouts. We continued our rapid response to combat the virus' impact in countries across South Asia, whose second Covid-19 wave in mid-2021 threatened tens of thousands of lives. Elsewhere, from Palestine to Pakistan, we furthered our support to hospitals and medical centres with vital supplies such as PPE, sanitation equipment and oxygen tanks.

In 2021, Afghanistan experienced an acute escalation in its ongoing humanitarian crisis. Political unrest had caused suffering and Penny Appeal was among the first on the ground, leveraging our existing networks in the country providing food, water, and shelter assistance to those who needed it most.



Mirroring this work, in the UK we were featured extensively across national media for our early and comprehensive support of Afghan refugees arriving on our shores. We provided living essentials, cash grants, and monthly travel cards. We tailored our Mental Health Listening Line to provide emotional support to the new arrivals, with dedicated helpline staff fluent in both Dari and Pashto. Furthermore, the plight of refugees was highlighted in our Winter Emergency campaign with our emotive award-winning short film, 'The Right' - shining a light on the impossible decisions faced by those who flee their homes to seek refuge in other countries.

In 2021 a new record was reached by our Feed Our World programme. Thanks to the support of our donors, we were able to deliver on an unprecedented scale, distributing the equivalent of 7.5 million meals, ensuring that over 118,000 people had enough to eat throughout the sacred month of Ramadan.

On other fronts, Penny Appeal has been on the front line in the fight against climate change, delivering aid to communities affected by natural disasters and implementing long-term sustainable solutions that benefit both recipients and the environment. Over this past year, we continued to expand our sustainability portfolio, providing specialist training and agricultural support as well as increasing access to climate-resilient solutions to food insecurity.

In the 8 month reporting period to 31 December 2021, Penny Appeal raised total income of £16,188,549, compared to £28,683,676 in the financial year ending 30 April 2021. The Charity generated a deficit of £970,842, compared with a surplus of £5,398,453 for the previous financial year. Our expenditure on charitable activities was £13,115,773, compared with £19,993,933 for the previous full year. Finally, costs of raising funds were £4,043,618, compared with £3,291,290 for the previous year. Clearly the comparisons are impacted by the shorter current period, but on the whole it is encouraging that the financial profile of the Charity remained stable throughout the highly challenging period. During the period, as pandemic-related restrictions began to ease, the Charity was able to reintroduce fundraising activities, resulting in the increase in cost of fundraising. Such activities do not only generate income directly in the period, but were an investment to generate ongoing future income and the profile of the Charity. In the prior year, the surplus was higher as the deployment to certain projects was delayed at the height of the pandemic restrictions. This was addressed over the current period, resulting in the period deficit, as cash was utilised in line with plans.



As highlighted previously, the period was also one of continued investment in our infrastructure. The investment in people and revised structures was designed to ensure that the operational and governance capabilities of the Charity remain in line with ongoing developments and sufficient to support future plans.

As we look to another challenging year ahead, we remind ourselves and renew our commitment to our faith-inspired mission to serve all those in need at home and abroad. The challenges of the past two years have made these constituencies larger, as more and more people are falling into the vicious cycle of poverty. This unprecedented rise in need must be matched by an unprecedented rise in humanitarianism, generosity, and zeal, and we are ever ready to continue to play our part.

**Harris Iqbal**  
Chief Executive Officer



# STRATEGIC REPORT

Penny Appeal was launched in 2009 with the objective of turning small change into BIG difference. The Charity has grown rapidly and now has programmes in over 30 countries around the world. Whilst the fundamental vision and mission has not changed, it is recognised that we must continue to evolve to ensure that we are prepared for the next phase of our development.

In 2020, we entered into an internal consultation period to update our 5-year strategy, with the overarching vision of ensuring a caring world that empowers communities, provide sustainable solutions out of poverty and transform the lives of individuals. This review work continued during the reporting period, to finalise revisions.

All that we seek to do is built on a firm commitment to equal opportunities, inspired by the Islamic faith. We seek to deliver an integrated and holistic approach to addressing poverty and inequality working closely with communities, by building strong community-level partnerships ensuring that the voices of those we work with are at the front and centre of what we do.



## – OUR VISION

Transform small change into a BIG difference for those who need us most.

## – OUR MISSION

Inspired by the universal values of the Islamic faith, our mission is to serve all those in need at home and abroad.

## – HIGH-LEVEL STRATEGIC OBJECTIVES

1. Deliver high quality programmes
2. Raise and disburse funds ethically and effectively
3. Invest in our people and infrastructure
4. Strengthen the Penny Appeal family and global brand

We will strive to continue our development as an organisation, in order to provide help to as many people around the world as possible with high quality and impactful programmes. In addition to our overseas programmes, we will also continue to have a focus on projects in the UK. We continue to build on our successful digital fundraising approach and seek to enhance our capabilities to raise funds with bespoke campaigns. We will continue to strive towards providing an excellent donor experience and care service, ensuring visibility and transparency on donations and their impact.

The review process culminated in detailed operational plans to be fully launched in 2022. With this in mind, the Trustees decided it was beneficial to amend the financial year to run from January to December. This will facilitate the alignment of the launch of the new strategy, detailed operational plans and staff objectives and deliverables, to ensure maximum focus and delivery. Consequently, these set of financial statements are prepared for the shorter period through to 31 December 2021, to be followed by annual statements in line with the calendar year from 2022 onwards.

In delivering our strategic plans and growth targets, it is recognised that all aspects of the Charity's governance and operating structures also need to continuously evolve to ensure that they remain in line with our development. This is an area where detailed work continues to progress and is ongoing. As part of our strategic approach, there will be continued focus on improvements to our processes to ensure effectiveness of governance, delivery, risk management and cost efficiencies.



## OUR CAMPAIGNS





Elderly people are among the most vulnerable members of society. When it becomes too difficult for them to take care of themselves, they typically require assistance from family or social infrastructure in order to live safely and comfortably.

Unfortunately, many elderly people remain in poverty and isolation, and this is a growing problem in much of the world. The number of elderly people is projected to reach 1.5 billion by 2050. With an aging global population and fewer people available to provide elderly care, more and more elderly people are being left vulnerable and at risk. That's where our 'Adopt A Gran' sponsorship programme comes in. The programme acts as a vital safety net, providing tailored aid in the form of financial assistance, warm meals and access to a care home where needed, so that elderly individuals can live in safety, dignity, and comfort. With the help of our donors, we are striving to make sure that no elderly person falls through the cracks in the communities we serve.



## CASE STUDIES

Bakht, 71, of Multan, comes from a rural peasant family. She was married at the age of 16 and had three daughters and three sons. When she reached the age of 40 her husband, who was a labourer, passed away. After the death of her husband, there was no one to support the family financially. She was all alone and was managing the household on the occasional alms of others.

Bakht's children are now all married and have left home, and none are supporting her, despite her suffering from diabetes and being physically very weak. She was fully dependent on local charities and donations. Some neighbours helped her with food and medication on occasion, but this was not a regular occurrence.

In 2017, through a local organisation in Multan, she was introduced to Penny Appeal's Adopt a Gran programme. The support has changed her life. She now receives the necessary medical attention and financial support to live comfortably. She says that she prays for her donors' wellbeing every day and will always remember them in her prayers.





Education is critical to the development of children and society as a whole. It opens opportunities for individuals, families and communities that would not be available otherwise. That is why it is so alarming that almost 60 million children of primary school age are not in school.

There are numerous socio-economic, cultural, and political reasons that children are prevented from accessing education. At Penny Appeal, we tackle these obstacles through several of our appeals. For example, our OrphanKind programme provides scholarships and financial assistance to families who could not otherwise afford to send their children to school, helping to offset the cost of tuition and other associated expenses. To address the issue of child labour, we have implemented livelihood projects that provide vocational training and support to parents so they can find gainful employment that does not involve their children.

But another barrier to education is the availability of the schools themselves. In communities with widespread poverty, education infrastructure is often neglected. Many schools around the world struggle with a lack of building maintenance, qualified teachers, and textbooks. Therefore, increasing access to education can be achieved by building more schools in rural areas and renovating existing schools to ensure they are fit for purpose. This is where our Education First programme comes in.



## CASE STUDIES

10 schools were constructed throughout the 2021 period, benefitting 3,612 pupils.

Fabiha, of Sylhet, Bangladesh, is a student at one of these schools. She had always wanted a good educational environment to study in, but unfortunately her school only had a single building used for teaching, alongside an abandoned derelict building which had served no purpose for a long time. Many students were enrolled at the school, but there were not enough classrooms. There was no library, and no separate common room or washroom facilities for the girls.

Penny Appeal and our partner organisation in Bangladesh identified the abandoned building and rehabilitated it to include two classrooms, a common room for the girls, a washroom equipped with menstrual health facilities, an auditorium, and a library. Teachers now have more classrooms available for teaching, and as a result no classes are being hindered due to the lack of space as was the case previously.

Fabiha said: *"this newly reconstructed building improves the loveliness of our school. Now we have more classrooms, a library, a common room, and a washroom for girls. Thanks to Penny Appeal for their lovely support. At last, my dream of a beautiful school came true."*

# EMERGENCY RESPONSE

In 2021, the number of people in need of humanitarian assistance increased to 1 in 33 worldwide, or 235.4 million people. Considering that the number in 2020 (1 in 45) was already the highest in decades, this highlights the ever-increasing necessity for humanitarian intervention worldwide.

This increase is due to a range of influences, including Covid-19's economic consequences which saw global poverty rise for the first time in 22 years, along with a rise in homelessness and displacement due to conflict and violence. There has also been an increase in global food insecurity and malnutrition, driven largely by the pandemic, conflict, and climate change.

Penny Appeal is dedicated to developing and providing longer-term, sustainable programmes that radically improve standards of living. However, when catastrophe hits, we are also ready to act and respond rapidly to emergencies around the world to save lives.

As a humanitarian organisation, we have distinct areas of focus within each country. We implement projects that fit the specific needs of crisis-hit communities, depending on the actual circumstances that they face. We are also devoted to going beyond the rescue phase; therefore, our interventions include a dual-phased approach to ensure that once in safety, the affected communities are also supported in their recovery.



## CASE STUDIES

In the 2021 reporting period we implemented emergency and recovery work in Afghanistan, India, Indonesia, Lebanon, Pakistan, Palestine, South Africa, and Yemen: providing aid and support to approximately 550,000 individuals. This included, among other interventions, the delivery of 17,134 hygiene kits, 151,769 medical consultations, and 113,578 medicines.

Medical support formed a large part of our emergency programming in 2021, particularly in Palestine. In Gaza, oxygen support and neonatal support was provided as part of our ongoing Covid-19 recovery work. Escalations in violence and conflict in May 2021 critically injured many people and put further strains on weakened health infrastructure. We responded by further supporting hospitals and health facilities, providing supplies such as medicines, PPE, and oxygen tanks.

In a year marked by political instability, civil unrest in Afghanistan and South Africa raised further requirements for humanitarian intervention. Penny Appeal responded by providing emergency assistance such as food, water, cash, and medical support to the affected communities. We have also provided for the immediate needs of Afghan refugees arriving in the UK, of which more information is available in the Penny Appeal at Home section.





In times of communal gatherings and celebrations, the importance of food is at the forefront of our minds. It is in these moments that we are reminded of the significance of food as a social function, and how it brings people together. But for over 2 billion people suffering from food insecurity, such events are also times of great hardship.

Each year, Penny Appeal's Feed Our World programme provides vital food aid to thousands upon thousands of people in need all over the world. Since its inception in 2013, the programme has provided nutrient-dense, culturally appropriate food parcels and meals to millions living across the African continent, Asia, and the Middle East – often in communities that have been ravaged by famine, internal conflict, and natural disasters.

In addition, the programme has grown to accommodate sustainable food solutions to provide paths to food security and self-sufficiency. By teaching communities about climate resilient farming techniques, providing seeds for growing crops in abundance, and training women in agriculture to plant and harvest a range of fruit and vegetable crops year-round, we are able to empower families to create a livelihood for themselves. This is crucial in combatting food poverty and child malnutrition.



## CASE STUDIES

Penny Appeal's 2021 Ramadan global food pack distribution was our largest to date. In the Ramadan 2021 period we delivered enough family food packs to provide a total of 7,485,713 meals across 17 countries.

One such recipient was Asha, a 34-year-old internally displaced person (IDP) living in Kahda camp in Somalia:

*"I have lived with my family in the camp for 3 months. We have nothing, as we lost everything to the drought. The drought affected everybody in the country. We usually eat one meal a day if we are lucky. Though there are malnourished children in the camp, but my children have so far remained healthy thanks to the local community who have helped us even despite their own difficulties."*

*"This is the first time we have received quality food which will last us for an entire month. I am so happy because I no longer need to ask neighbours for food to feed my children. Thank you so much and may Allah (SWT) reward you immensely."*



A mosque is more than just a place of worship. For many Muslims, mosques are the very heart of a community, providing a social hub that provides vital services to the local area.

Within the countries we serve, many rural Muslim communities do not have a dedicated place to practice and share their faith. There are many low-income communities and villages who conduct their daily prayers in open spaces that have been designated for mosques, yet they have been unable to construct them due to prevailing poverty. By extension, they lack a community centre for municipal administration, daily prayers, and Islamic education. Construction of mosques via donated funds is highly appreciated, especially by communities that cannot afford basic mosque construction without external support.

Typically, Penny Appeal constructs mosques in communities for whom the main source of income is farming and livestock; usually these are communities who live under the poverty line and struggle for necessities.



## CASE STUDIES

In 2021, Penny Appeal completed 22 mosques across Asia and Africa, providing tranquil safe places for those who had never had a communal space where they could gather to pray and practice their faith.

One such mosque was Al Noor ('The Light') in Kenya. The imam, Sheikh Ali Mohamed, had the following to say:

*"I feel honoured to serve my community in this mosque, and especially to lead sermons during Friday prayers. The people of this community and the neighbouring villages are so happy with the mosque. We have already started hosting lessons in Qur'an, tafseer and hadith. The mosque is a shining light of knowledge in the area. Families have already started to move to the village so that their children can learn in the mosque. Many thanks to our sister Zulekh (Penny Appeal donor) for building for us this mosque; may Allah (SWT) reward her with Jannah (Heaven)."*

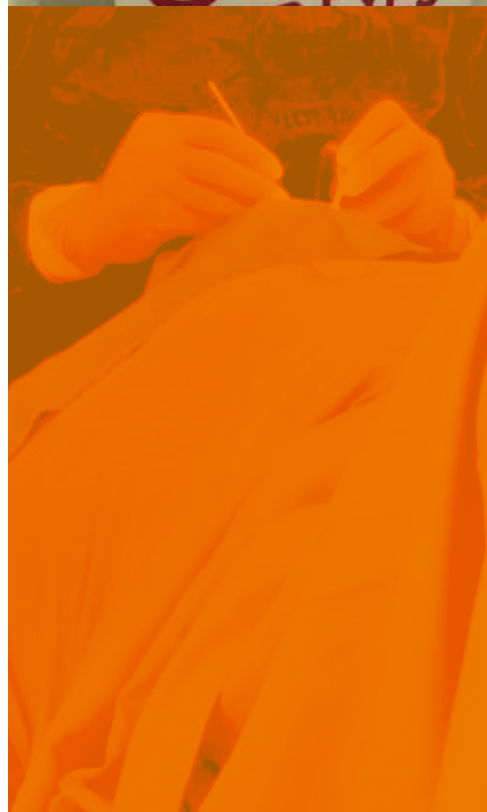




It is estimated that over 1 billion people worldwide have a visual impairment that could have been prevented or has yet to be addressed. This number is only going to continue to grow, as the world's population increases, and more people are born with vision problems. Yet, in many cases, these visual impairments can be resolved with the types of simple medical procedures that many of us take for granted.

Adults have been left unable to work, parents left unable to take care of their children, and young people left unable to study; they are instead plunged into darkness, and into a vicious poverty cycle which could be avoided by a simple routine medical appointment or procedure.

Penny Appeal's Open Your Eyes programme is working to bring quality eye care to people in hard-to-reach areas throughout the developing world. With eye checks, medication, glasses, and even simple eye operations, we are restoring the sight of thousands of people.



## CASE STUDIES

Mr. Ghulam Mohammad, 71, has been having vision difficulties for the past three years. Due to a lack of funds, he has not been able to have the necessary surgery. As a result of his failing vision, he has been unable to gain any meaningful employment and has been forcing him to remain at home.

He came to know about a free eye camp being held by Penny Appeal at Indus Medical College Hospital in November 2021, thanks to an announcement on his mosque's loudspeakers.

Travelling by bus from his village, he attended the camp and was found to have a cataract in his right eye. The cataract surgery was performed on the same day, and he was discharged after his post-op consultation the next morning. Free medication was provided, and he was instructed to come for a follow-up after one week.

He was happy to regain his vision after such a long time. In his own words, the sky had never looked so blue and beautiful.



Children who lose one or both parents to the likes of war, illness, or natural disaster are faced with the kind of traumatic and harsh experiences that no young person should have to suffer through. Children require care and assistance, familial love, and support; but the situations that many orphans are thrust into can make it difficult for them to thrive. They remain vulnerable and require consistent and comprehensive care and support to ensure they are empowered to grow and prosper.

Through our OrphanKind programme, children receive the opportunity for a life released from poverty. The programme provides financial funding and a free education, alongside parental counselling, medical check-ups, health and hygiene support, learning assistance, and spiritual guidance.

Upholding the rights of children to education is a key component in ensuring both socioeconomic development and ongoing safety. It is also one of the most important rights that children have. The Orphan Kind programme ensures that the most vulnerable children are not falling through the cracks when it comes to learning opportunities and the chance for a life released from poverty.



## CASE STUDIES

When Sufia's father committed suicide in 2020, the grief-stricken family were left with severe financial difficulties in addition to their sorrow. Sufia's mother took a job at a brick kiln, but it was not enough to cover their expenses, the children's education, and their many debts. Sufia was due to drop out of school and thought that her education prospects had become a lost cause.

Receiving a sponsorship through the OrphanKind programme changed the lives of Sufia and her family. After receiving food packages, books, hygiene materials, tuition fees, board exam fees and medical support from Penny Appeal, Sufia was able to continue her studies and gain a new confidence for the future. She enjoys her school life and is ambitious about her future goals.

*"It would not have been possible for me to continue my studies if Penny Appeal had not extended this helping hand in life,"* she told our project lead in her district.

Girls in Sufia's position are at increased risk of child labour and child marriage when times are hard for their families. In recent years, the OrphanKind programme has been adapted to include awareness sessions on child rights and psychosocial support for the families, with the aim of nurturing child friendly environments within the communities we operate.



## pennyappeal at Home

22% of people in the UK are living in poverty. That's a worrying statistic, and it's why at Penny Appeal we deliver regular domestic projects to help those in need within our local communities.

Charity begins at home, and Penny Appeal prides itself on providing vital support in the UK with home projects that mirror our impactful global programmes. From food distributions for the homeless to education and counselling programmes, we work tirelessly to provide vital support to those who need it most.

Our Penny Appeal at Home projects are critical in helping to break the cycle of poverty and providing people with the necessities they need to build a better future for themselves. When we as a society address the causes of poverty and help those who are struggling, everyone benefits.

The 2021 period saw Penny Appeal respond to the immediate need of Afghan refugee families arriving in the UK. New arrivals were supported through the provision of hygiene kits, blankets, shoes, jackets, cash payments, monthly travel cards, baby items, prayer mats, and copies of the Qur'an. Our Wellbeing Services launched a Listening Line as a freephone helpline for Afghan refugees, providing support to those who were struggling emotionally to cope with leaving loved ones and home behind, rebuilding their lives, and integrating into local communities. The Listening Line provided emotional support to both Afghan men and women via dedicated helpline staff members fluent in Dari and Pashto.





When people receive access to safe, clean drinking water, they are provided with a basic necessity that many of us take for granted.

2.2 billion people around the world still do not have access to safe drinking water. To date, Penny Appeal has installed over 40,000 water systems and wells in countries such as Pakistan, Bangladesh, India, Nepal, Sri Lanka, Somalia, Kashmir, and Uganda – each well providing a vital source of water that will benefit communities for years to come.

But Thirst Relief is not just about providing water: it's also a gateway to breaking the poverty cycle. Accessible water eliminates the need for wasted miles walked just for mere sustenance; it frees up time for education, domestic care, and economic activities. It puts people in a stronger position to flourish, simply by adding hours to their day.

In recent years, Penny Appeal has striven to take Thirst Relief to its full potential, providing a holistic, all-encompassing range of water, sanitation, and hygiene solutions to the communities we serve. Our Solar Panel Water and Power Centres, which provide running water to larger communities of up to 1,500 people and 1,000 livestock, are also used to generate electricity which illuminates the halls of local schools and mosques. Our innovative Rainwater Harvesting Systems allow users to filter and harvest rainwater during the monsoon season, so that safe drinking water is available to them during the dry seasons.

Our Holistic WASH village projects help to provide communities with the best water, sanitation, and hygiene solutions in terms of both infrastructure and knowledge/practice. This is achieved through the installation of community water supplies at schools and health clinics ensuring round-the-year access to adequate quantities of safe water, the installation of gender-friendly toilets and menstruation management facilities in schools, hygiene education sessions, and the formation of community groups to act as agents for change.



## CASE STUDIES

In 2021 we completed construction on 5,876 wells around the world. Kulabako, of Arua District, Uganda, was one of the beneficiaries of these wells.

*"I thank Penny Appeal's donors for the work they have done constructing this water well. Before, we had been facing challenges in accessing water. We could get water from the bushes, and the streams, but it was dirty. So, we thank you so much for the water well."*

*"When we took water from boreholes, there were many people waiting with jerry cans, and we had to wait to get water. Thank you for the work you've done to bring us our own water source, where I can just take my jerry can and get it filled without hassle and save time. We thank you so much because in those days we took water from streams, it was always dirty, yet we would have to use it for drinking and cooking. I would like to thank you for installing this water well for us to use."*



## THE BEST OF THE REST

In response to the Cyclone Idai disaster in early 2019, Penny Appeal launched an emergency response that has now evolved into long-term disaster-resilient agriculture support for the communities affected.

Following the Covid-19 pandemic, we adapted these efforts to reduce the risk of hunger that was expected as an immediate economic consequence of the pandemic. In the 2021 period, these projects were further adapted to provide safety measures for the reopening of society, including handwashing stations for schools, health and safety training for education professionals, and PPE for health authorities.

In Nepal, a second wave of the pandemic brought on a national lockdown which coincided with monsoon season. This brought additional difficulties to the most ostracised communities, such as Dalit Muslim communities of Rautahat district. These communities often face social marginalisation, which is often a factor for why many of the girls are not in school amongst illiteracy and poverty barriers. During this period, we increased access to education for marginalised girls by providing classroom renovations with gender-sensitive and inclusive infrastructure, and education and awareness sessions, in addition to small business support for women of Muslim communities.

2021 also saw an increased focus on delivering cash directly to our beneficiaries. In the aftermath of the pandemic and lockdowns, cash support provided an immediate means to assist households suffering from economic hardship, while also stimulating local economies. The funds enabled these households to meet needs such as water, clothing, shelter, medication, debt, and the start-up of small economic ventures.



## CASE STUDIES

Many of these projects were funded by Zakat donations, and focused on beneficiaries in Mozambique, Uganda, Syria, Jordan, and Somaliland, with a particular focus on refugee/IDP communities.

Elfrida, of Mozambique, is 27 years old and living with a disability that affects her mobility. She is an orphan and a single mother of her 9-year-old son. Elfrida lives with her son and her grandmother and two other family members and is a member of an association of persons with disabilities. Her son and her elderly relatives rely on the income she earns as a hairdresser.

Elfrida received business skills training and financial management support in addition to the cash she received from Penny Appeal to support her family.

*"I never thought that one day I could receive this kind of help from the kindness of others. I am very grateful; this will reduce my suffering and I will continue working and growing."*

## TRUSTEES' REPORT





# OBJECTIVES & ACTIVITIES

## PENNY APPEAL'S VISION

Transform small change into a BIG difference for those who need us most.

At the heart of Penny Appeal is our determination to use every penny wisely, spending in cost-effective and efficient ways that ensure lives are transformed through sustainable, meaningful programmes.

Our life-changing programmes encompass emergency support, short-term relief and long-term community improvements.

Further information is included in the Our Campaigns sections.

## MISSION

Inspired by the universal values of the Islamic faith, our mission is to serve all those in need at home and abroad.

## VALUES

Our work is underpinned by the following values:

- + Teamwork Makes The Dream Work
- + The Right Thing, The Right Way, With The Right Intentions
- + Live The Legacy
- + Champion The Underdog
- + Do It The Orange Way

These are designed to remain aligned to evolving challenges, providing focus and purpose to the way in which the Charity operates.

## PENNY APPEAL'S OBJECTIVES

The Charity's objectives include:

- + To prevent and/or relieve poverty anywhere in the world through the promotion of education, human rights, social inclusion, and religious harmony for the public benefit.
- + To relieve the suffering and financial needs of victims of natural or other kinds of disasters through humanitarian assistance or other means.
- + To develop the capacity and skills of socially and economically disadvantaged communities in such a way that they are better able to identify and help meet their needs and participate fully for the betterment of society.



# FINANCIAL REVIEW

## PRINCIPLE FUNDING SOURCES

During the 8 month period ending 31 December 2021, the Charity raised total income of £16,188,549 (year ending 30 April 2021: £28,683,676).

The total of Gift Aid claimed was £1,652,819 (year ending 30 April 2021: £2,618,922), representing around 10.2% (year ending 30 April 2021: 9.1%) of total income raised in the year. Gift Aid is a significant source of income for the Charity, and it makes effective use of this additional money. Gift Aid helps to cover essential operating and administration costs, ensuring donations can have maximum impact and reach those in need.

During the period, the Charity generated a deficit of £970,842 compared to a surplus of £5,398,453 for the year ending 30 April 2021. Continued restrictions arising from the Covid-19 pandemic resulted in the launch of some new charitable programme projects being delayed and expenditure on charitable activities of £13,115,773 (year ending 30 April 2021: £19,993,933) was impacted. Surplus funds will be disbursed in the following financial periods, in line with intended use once delayed projects can be commenced, but as can be seen the deficit for the period was much more normalised than compared to the prior year. Despite the shorter accounting period, costs of raising funds of £4,043,618 (year ending 30 April 2021: £3,291,290) were higher predominantly due to increased activities across events, product and merchandising which commenced again after the easing of pandemic-related restrictions. Such activities do not only generate income directly in the period but are seen as an investment to generate ongoing and future income and increase the profile of the Charity.

There continues to be a focus on reassessing all aspects of the financial model and cost base. In particular the impacts and effects of the pandemic will be analysed closely, to determine if there are required adjustments to the overall operating model going forward. It is recognised and anticipated that the ongoing impacts of the pandemic and other economic factors will increase pressure on income in the short-term.

It is also expected that overall costs will increase in the future, as the Charity continues to invest in strengthening its infrastructure across all areas. These increases have been included in financial budgets and planned to ensure that adequate reserves are maintained. This investment will ultimately ensure that the Charity can better meet its objectives and targets in an efficient, controlled and sustainable manner, and maximise the impact of our work.

## CHARITABLE ACTIVITIES

Total expenditure on charitable activities of £13,115,773 represented 81.1% of total income raised (year ending 30 April 2021: 69.7%).

Key areas of spend include the following:

	8 months to 31 Dec 2021 £m	Year Ending 30 April 2021 £m
<b>Orphans</b>	3.1	4.0
<b>Medical</b>	0.2	0.3
<b>Feeding</b>	2.8	3.9
<b>Water</b>	1.9	2.4
<b>Community establishment</b>	0.9	1.1
<b>Emergency</b>	1.5	2.8
<b>Other aid</b>	2.7	5.4

## SUPPORT COSTS

The Charity's support costs during the period were £1,548,402 (year ending 30 April 2021: £2,007,469), representing 9.5% (year ending 30 April 2021: 7.0%) of the total income raised during the year.

Support costs represent the costs of running the operations of the Charity, and include the costs of functions such as finance, administration, information technology and premises. Further details are provided in Note 8.

## INVESTMENT POLICY AND OBJECTIVES

As the majority of the Charity's funds are spent in the short-term, no long-term investment policy is currently established. This policy will be developed to support longer-term investment as the Charity grows further.

The objectives of the policy will be to support long-term stability and adherence to both the Charity's objectives, and all relevant regulations. The policy will include reference to maximising returns from properties.



## RESERVES POLICY

General reserves have been increasing year on year but reduced in the current period due to the investments made in the Charity's operating infrastructure during the period.

	31 Dec 2021 £m	30 Apr 2021 £m	30 Apr 2020 £m	30 Apr 2019 £m	30 Apr 2018 £m	30 Apr 2017 £m
<b>General Reserves</b>	1.0	4.1	2.4	1.9	1.3	0.8
<b>Restricted</b>	6.4	4.2	0.6	0.5	3.1	3.5

The reserves should provide the Charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future.

The Trustees propose to maintain the Charity's target reserves at a level which is at least equivalent to 3 months' operational expenditure – this includes salary costs plus core spend to operate the Charity. The Trustees consider this as an adequate level to manage the Charity's risks.

This currently equates to minimum reserves of £1.0 million which have been maintained throughout the year. This policy forms part of the Trustees assessment of going concern which is detailed on page 81.

The Trustees review the amount of reserves that are required to ensure that they are adequate to fulfil the Charity's continuing obligations on an annual basis. The reserves levels are monitored at regular intervals throughout each financial year by the Trustees.

## KEY CONTROLS

### FUNDRAISING

The Charity is registered with the Fundraising Regulator and has developed procedures to comply with the Code of Fundraising Practice. Penny Appeal is also a member of the Institute of Fundraising and fundraising activities are designed to be legal, transparent and honest.

Fundraising teams utilise a number of different approaches, which include the following:

- + Major donor giving
- + Community fundraising
- + Live TV appeals
- + Volunteers
- + Online giving
- + Digital Marketing
- + Corporate and institutional giving
- + Challenges
- + Events
- + Direct mail
- + Call Centres
- + Social media

### COMPLAINTS HANDLING

For instances where the Charity does not meet the high standards it sets itself, a complaints policy is in place. A complaint can be submitted either in person, by telephone, email or online via the website contact form. Complaints are dealt with in accordance with the process laid down in the Charity's policy.

## GOVERNANCE AND CONFLICTS OF INTEREST

In 2021, a detailed Governance Improvement Plan was initiated to review and enhance the Charity's governance structures and processes. This work is ongoing at the end of the reporting period to ensure suitability and adequacy as the Charity continues to evolve.

The Charity needs to ensure that all actual and perceived conflicts of interest are correctly and properly identified, disclosed and managed to ensure transparency to donors and stakeholders. The Trustees have identified all such conflicts and are committed to put in place adequate measures to ensure all conflicts are managed properly and adequately disclosed.

As had been disclosed in the prior year's Trustees' Report, the Charity had been notified by the Charity Commission in November 2020 that it was opening a Regulatory Compliance Case and had requested information relating to aspects of governance. The Trustees are of the view that comprehensive replies were provided to the Charity Commission to all the questions raised.

As part of their commitment to strong and effective governance, during the period the Trustees instructed the Charity's legal advisors to conduct a review of all aspects of governance. This review has now been completed and in the Trustees' opinion provides validation of the improvements that have been made. The review also identified some areas for further improvement, and these will be implemented as part of the ongoing improvement processes. However, based on the findings of the review completed, the Trustees consider that governance in all areas in relation to which questions were raised is appropriate.

Engagement with the Charity Commission continues as part of this process. Where there have been follow-up requests for information, these do not relate to new matters but have been requests for further detail around previous responses. The Trustees are committed to answering all follow-up enquiries fully with openness and transparency in order to effectively demonstrate the improvements made.

On this basis, there is not considered to be any impact, including any financial impact, to these financial statements arising from this Regulatory Compliance Case.

Further information relating to the governance structures and processes in place at the Charity is shown in the Structure, Governance and Management section starting on page 58.

## SAFEGUARDING

In August 2020, the Charity was informed of reports of alleged safeguarding issues in a partner organisation in The Gambia. The Charity is deeply aware of its immense responsibility for the welfare of some of the most vulnerable and impoverished communities around the world, and takes these responsibilities extremely seriously.

The Charity took immediate steps to find out what happened and to ensure that, once the full facts had been established, appropriate actions were taken, and any learnings implemented to ensure nothing like this ever happens again.

The following steps were taken:

- + An independent investigation was launched to understand what happened. This investigation was completed by Keeping Children Safe, a specialist organisation chosen to ensure that the investigation process was complete and thorough.
- + A complete review of all the Charity's safeguarding-related policies and procedures was conducted by Barnardo's.
- + These reviews have now been completed and the Charity is working to implement their findings and recommendations.
- + Partnered with a renowned specialist child protection INGO to work with the government of The Gambia to ensure all the children, under the previous care of the former partner organisation in The Gambia, are safe. We are now supporting an exercise to complete individual assessments and care plans for all these children to ensure they have access to appropriate services including education.
- + Additional measures were also taken to further strengthen the Charity's safeguarding capabilities. The Chair of the Board of Trustees is a specialist in the safeguarding field, bringing this expertise to the Board. Additionally, a highly experienced specialist safeguarding advisor to the Board was appointed to provide further assurance and is a member of the Safeguarding Committee.

The Safeguarding Committee is a sub-committee of the Board, established to ensure that sufficient focus and oversight is maintained over safeguarding-related matters. At an operational level, the Charity has also employed a Director of Safeguarding who brings extensive sector experience and expertise from work in many areas around the world. These improvements have been implemented to ensure that safeguarding processes and controls are adequate across all areas and countries of the Charity's operations.



## REPUTATIONAL RISK ASSOCIATED WITH FUNDRAISING ACTIVITY

The Charity ensures that all fundraising activities are planned well in advance with clear responsibilities at the outset. Locations, staff and volunteers are selected based on suitability of ability and skills. Only reputable contractors and venues are used. Where large or high-risk donations are collected, the Charity carries out appropriate due diligence checks to confirm the nature of the donation and the identity of the donor. Phone calls to appeals on TV and radio are controlled with adequate delays built in to ensure nuisance or ill-intentioned calls are blocked.

## GENERAL DATA PROTECTION REGULATION (GDPR)

The Charity provides GDPR training to all senior staff. A GDPR action plan is implemented and monitored for compliance. A Data Protection policy and privacy statements are in place.

## NON-COMPLIANCE TO COUNTER TERRORISM LEGISLATION

The Charity does not permit nor condone any form of Terrorism or Facilitation of Terrorism, either through the activities of the Charity itself or through its international offices, donors, partners or associates.

The Programme Risk Management Framework is applied to delivery partners to manage risks associated with programme delivery and non-compliance to counter terrorism legislation. This Framework is used to ensure all grants are used for donor intended purposes.

The Charity has strict vetting processes in place for all employees, contractors, suppliers and delivery partners to ensure they are not on UK Government endorsed proscribed lists. The Programmes department conducts due diligence on all partners before they are engaged. The Charity conducts ongoing monitoring of projects through feedback reports and office visits and monitoring. This is to ensure the risks of non-compliance to counter terrorism legislation are minimised.

## MAJOR RISKS AND MANAGEMENT OF THOSE RISKS

The Charity maintains a risk register that captures key corporate risks and drives action plans to mitigate these risks. The CEO leads this process working together with the executive management team.

The key inherent risks identified are listed below.

This is an assessment of the main risks associated with the nature of operations that the Charity is involved with, for which processes and controls are implemented and monitored to ensure that risks are mitigated to an acceptable level:

- + Safeguarding and child protection. Further details are included in the Safeguarding section above
- + Breaches of regulatory requirements or policy
- + Risk to donation levels resulting from economic or other events, including impact of the pandemic
- + Data protection and payment risks
- + Political instability in programme areas
- + Operational complexity and IT capability
- + Staff skills and development

Management ensure that controls are designed and implemented to address the identified risks.

## THE TRUSTEES



### Mohammed Jahangir Khan

**Chair of Board of Trustees,  
Chair of Safeguarding Committee**

Jahangir is a distinguished Child Safeguarding specialist and business change practitioner who serves as Chair of the Penny Appeal Board of Trustees.

He is also Chair of the Safeguarding Committee. In both roles, Jahangir ensures that the Charity adopts best practice in respect of child welfare and well-being in all of its work across the UK and around the world.

Jahangir works as a lead practitioner specialist for children and young people at Wakefield Council and has over 33 years' experience within education and young people services.



### Adeem Younis

**Founder and Trustee,  
Chair of Digital, Marketing &  
Communications Committee**

Adeem is a multi-award-winning entrepreneur, community leader and philanthropist hailing from inner city Wakefield. His inspired vision and tremendous hard work have helped build the industry-leading matchmaking platform, SingleMuslim.com, which has resulted in over 100,000 success stories and was hailed as the largest Muslim-run website globally.

Building on this success, in 2009 he founded Penny Appeal, and under his stewardship the Charity expanded to serve the poor and vulnerable in over 60 countries, raising over £100 million in its first decade.

Adeem continues to play a vital role as Trustee of the Charity, and currently chairs the Digital, Marketing & Communications Committee providing strong strategic oversight in respect of the Charity's income generating departments, ensuring that Penny Appeal can continue to reach communities in need worldwide.



### Saeeda Amin

**Trustee**

Saeeda is the Chief Transformation Officer at Fox's Burton's Companies UK (FBC UK) leading the integration and transformation of the business. She has over 20 years experience at Board level (C suite) in strategic and finance roles and has served as the financial lead for market leading FMCG multi-million-pound and multi-national companies.

She is highly motivated and enthusiastic, and brings with her an impeccable reputation for providing insightful, direct and honest feedback as well as an incredible array of experiences, advice insights, and industry know-how, including skills that assist in improving governance, risk management and business transformation.



### Umer Sheraz

**Trustee,  
Chair of Finance, Audit & Risk  
Committee**

Umer is a business transformation leader who has worked across a range of sectors, including private and public agencies. He specialises in digital transformation, change management and sustainable growth. He brings to Penny Appeal over 20 years of strategic oversight, ensuring that organisations are able to effectively execute their strategy by putting people and process at the heart of progress.

Umer also has experience in finance and governance, contributing valuable advice and guidance with regards to Penny Appeal's audit and risk procedures, ultimately ensuring that the Charity's systems and processes are effective and robust in order to provide the maximum support to the vulnerable communities Penny Appeal exists to serve.





## Gill Laidler

### Trustee

Gill Laidler is a leading figure in the worlds of marketing, communications, and journalism. A member of the National Union of Journalists, she has over 35 years of industry experience working with a range of local, national and international businesses. Most notably as Group Editor & Founder of Topic UK B2B Magazine and Yorkshire Businesswoman magazine under which Gill recently launched the Yorkshire Business Woman Networking group. The group brings together a wealth of knowledge and skills to create a network of business services, meeting on a monthly basis.

She also has a breadth of experience within the charity sector having held several senior management positions in local and national charities, as well as contributing her skills and expertise as a Trustee for charities addressing a range of issues.



## Nasir Akram

### Trustee

Nasir is an industry recognised expert in the field of Digital Transformation and Business Analysis. His plethora of strategic assignments are characterised by the provision of expertise to top tier clients across a wide range of industries including Financial, Telecommunications and Government. Clients have included Barclays, Lloyds, BP, HMRC and the DWP at present.

Aside from his professional commitments is a focus on philanthropy and sport. This passion has led to positions on the International Institute of Business Analysis, an Industry fellowship at Salford University and cricket coaching at a local club. However, the most recent project titled 'Round4round' is the closest to Nasir's heart having crafted the vision to 'transform lives through boxing and positive role modelling' focused on deprived areas partnered with Amir Khan.



## STRUCTURE, GOVERNANCE, AND MANAGEMENT

### Directors/Trustees:

Mr Mohammed Jahangir  
Mr Adeem Younis  
Mr Umer Sheraz  
Ms Saeeda Amin (appointed 04.06.21)  
Ms Gill Laidler (appointed 04.06.21)  
Mr Nasir Akram (appointed 04.06.21)  
Mr Irfan Rajput (appointed 01.08.21, resigned 01.08.2022)  
Ms Isha Begum (resigned 29.06.21)

### CEO:

Mr Harris Iqbal

### Registered Office:

Penny Appeal Campus  
Thornes Park  
Wakefield  
West Yorkshire  
WF2 8QZ

### Charity Registration Number:

1128341 SCO49025

### Auditors

Armstrong Watson Audit Limited  
Thornfield Business Park  
Northallerton  
DL6 2XQ

### Legal Advisors

Wrigleys Solicitors LLP  
19 Cookridge Street  
Leeds  
LS2 3AG

### Bank:

NatWest,  
Wakefield City Branch  
56 Westgate  
Wakefield  
WF1 1XF

### Company Registration Number:

06578382

## THE BOARD OF TRUSTEES

The Board of Trustees is made up of volunteers, who each bring relevant skills and practical experience with them to help the Charity meet its objectives. The Board is ultimately responsible for the operations of the Charity. The Board was significantly expanded and strengthened during the financial period. The Board met on a monthly basis in the reporting period. Going forward with the establishment of the Board committees, the Board is expected to meet once every two months, or as otherwise required.

The Trustees set the strategy and agenda for the Charity and drive good practice, with a real focus in this financial period on governance. The Board works with the CEO to monitor and ensure that the Charity is working towards achieving its objectives and operates in line with agreed strategy and plans.

## BOARD COMMITTEES

In order to ensure the required level of focus and expertise on specialist matters, the Board of Trustees has established the following Board sub-committees:

- Safeguarding Committee
- Finance, Audit & Risk Committee
- Digital, Marketing & Communications Committee

Each committee is chaired by a Trustee and comprises membership of those Trustees with specialist subject matter expertise and are attended by senior members of management from the respective areas of focus. The committees meet at least once every two months, or as otherwise required, and report work and recommendations to the Board.

## INDUCTION AND TRAINING FOR TRUSTEES

The Charity provides support and development to its Trustees, so that they can understand their roles and responsibilities fully. This includes giving new Trustees an overview of the Charity's strategic and operational objectives, as well as a comprehensive welcome pack which includes a copy of the governing document, minutes of previous Board meetings and Charity Commission guidance.

They also receive inductions to the Charity from executive management, in which they are given policies, reports and plans for upcoming campaigns, projects or events. All Trustees are required to read and sign a Trustees Code of Conduct, which details the standards of performance and behaviour expected of them. This all combines to create a functional Board of Trustees, which can add value to the Charity through each of the individual Trustee's wide range of skills, expertise, and knowledge.



## TRUSTEE APPOINTMENT

All nominations of potential new appointments are reviewed by the existing Board of Trustees. Trustees are selected because they have the required range of skills, knowledge and experiences that is required to oversee and direct the Charity, complementing the skills and experience of other members of the Board.

## REPORTING

The CEO reports directly to the Board of Trustees and is responsible for managing the day-to-day operations of the Charity. The CEO sets individual objectives for the executive management team and assesses their performance against these set objectives. The executive management team also meets on a weekly basis to discuss and agree key operational actions required. During the year, the executive management team was strengthened through the recruitment of further team members to provide additional skills and capacity.

## GRANT MAKING POLICY

During the period, the Charity made total grants of £7.0m (year ending 30 April 2021: £12.3m) to 102 (year ending 30 April 2021: 130) partner organisations. Partners are selected based on a due diligence exercise that confirms consistency of values with Penny Appeal and the ability to deliver projects. Grant proposals are received and appraised by the Penny Appeal Programmes team. A funding agreement is drawn up for all grants made.

The Charity works closely with its partners helping them develop their capacity so that they are effective in achieving Penny Appeal's grant objectives.

## GOVERNING DOCUMENT

Penny Appeal is a charitable company limited by guarantee which was incorporated on 26 January 2009 and registered as a charity on 2 March 2009. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

## REMUNERATION POLICY FOR KEY MANAGEMENT PERSONNEL

Penny Appeal aims to employ the right people for the right job and therefore a conscious effort is made to employ highly experienced staff in key management positions who can build the capacity and capability of the overall organisation. Penny Appeal considers this necessary to ensure that its resources are maximised and that every penny spent on beneficiaries goes far in addressing their needs. The management team was significantly strengthened through recruitment during the reporting period.

The remuneration of key management personnel is approved by the Trustees and is benchmarked against the industry norms and prevailing standards.

## ORGANISATIONAL STRUCTURE

The reporting period was one of ongoing consolidation and improvement for the Charity. New governance and operating structures were implemented. Work to further improve governance and effectiveness was ongoing at the end of the period.

The Trustees meet regularly to consider the activities of the Charity and approve its overall direction. The financial period coincided in part with the slow lifting of restrictions imposed due to the Covid-19 pandemic. This meant that for large periods staff were working remotely from home. The Charity's IT systems and processes were adequate to support this fully without the loss of productivity. Penny Appeal has subsequently moved to its new operational headquarters in Wakefield. This new campus will provide staff with a setting to support the advancement of their work and will also seek to provide benefit to the local community through local charitable projects and partnerships.

## RELATED PARTIES

Procedures are in place to fully identify and disclose related parties. For further details refer to Note 26 of the Financial Statements.

## STAFF

The Charity recognises the importance of its staff and their welfare. Plans are in place to identify and meet staff training and development needs. An employee welfare and counselling service is available to all staff. Additional work has commenced, and is ongoing, to review all aspects of culture and engagement, to ensure that staff wellbeing is fully considered, and that appropriate support is in place for all aspects of employees' professional performance and development.

## TRUSTEES RESPONSIBILITIES

The Trustees (who are also directors of Penny Appeal 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 period. 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 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 departures disclosed and explained in the financial statements; and
- + prepare the accounts on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Report for the period, the Strategic Report and the Trustees' Report (including the Chair of Trustees' Statement) are approved by the Trustees of the Charity on 28 October 2022 and signed on its behalf by:

*Mohammed Jahangir*

**Mohammed Jahangir**

Chair of Board of Trustees





## INDEPENDENT AUDITOR'S REPORT



## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

We have audited the financial statements of Penny Appeal (the 'charitable company') for the 8 month period ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including 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 31 December 2021 and of its incoming resources and application of resources for the period then ended;
- » have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- » have been prepared in accordance with the requirements of the Companies Act 2006.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

## OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- » the information given in the Strategic Report and Trustees' Report, which includes the Directors' Report, prepared for the purposes of company law for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- » the Strategic Report, and the Directors' Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.



## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report, or the Directors' Report included within the Trustees' Report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- » adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- » the financial statements are not in agreement with the accounting records and returns;
- » 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.

## RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement set out on page 62, 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 company or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- » 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:
- » The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- » We identified the laws and regulations applicable to the charitable company through discussion with Trustees and other management and review of appropriate industry knowledge, including direct discussion with the charitable company legal advisors. Key laws and regulations we identified during the audit were the UK Companies Act, UK Charities Act (including the UK Charity Commissions open Compliance Case into the charitable company), occupational and employment legislation;
- » We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and the Charity's legal advisors and reviewing all relevant correspondence from the Charity Commission with regards the open Compliance Case into the charitable company; and
- » Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit. We assessed the susceptibility of the financial statements 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 and alleged fraud; and
  - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- » Performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships;
- » Tested journal entries to identify unusual transactions;
- » Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.
- » 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; Enquiring of the charitable company's legal advisors and reviewing and reviewing all relevant correspondence from the Charity Commission with regards the open Compliance Case into the charitable company; Reviewing managements internal controls and assessment of partner agencies compliance with grants paid and performance in the period; and
- » Enquiring of management as to actual and potential litigation and claims.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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](http://www.frc.org.uk/auditorsresponsibilities)

This description forms part of our auditor's report.



Simon Turner (Senior Statutory Auditor)  
For and on behalf of Armstrong Watson Audit Limited, Statutory Auditor  
Northallerton  
Date: 28 October 2022





## FINANCIAL STATEMENTS



# STATEMENT OF FINANCIAL ACTIVITIES

FOR THE 8 MONTHS TO DECEMBER 2021

8 Months ending 31 December 2021	Note	Unrestricted funds £	Restricted funds £	Total
<b>Income and endowments from:</b>				
Donations	3	2,717,685	13,451,794	16,169,479
Investment income	5	19,070	–	19,070
Total income		2,736,755	13,451,794	16,188,549
<b>Expenditure on:</b>				
Raising funds	6	(1,105,991)	(2,937,627)	(4,043,618)
Charitable activities	7	(2,624,832)	(10,490,941)	(13,115,773)
Impairment		–	–	–
Total expenditure		(3,730,823)	(13,428,568)	(17,159,391)
Net income/ (expenditure)		(994,068)	23,226	(970,842)
Transfers between funds		(2,164,133)	2,164,133	–
Net movement In funds		(3,158,201)	2,187,359	(970,842)
<b>Reconciliation of funds:</b>				
Total funds brought forward		4,150,174	4,234,892	8,385,066
Total funds carried forward	23	991,973	6,422,250	7,414,224

12 Months ending 30 April 2021	Note	Unrestricted funds £	Restricted funds £	Total
<b>Income and endowments from:</b>				
Donations	3	4,644,958	24,008,153	28,653,111
Investment income	5	30,565	–	30,565
Total income		4,675,523	24,008,153	28,683,676
<b>Expenditure on:</b>				
Raising funds	6	(900,218)	(2,391,072)	(3,291,290)
Charitable activities	7	(5,148,490)	(14,845,443)	(19,993,933)
Impairment		–	–	–
Total expenditure		(6,048,708)	(17,236,515)	(23,285,223)
Net income/ (expenditure)		(1,373,185)	6,771,638	5,398,453
Transfers between funds		3,158,039	(3,158,039)	–
Net movement In funds		1,784,854	3,613,599	5,398,453
<b>Reconciliation of funds:</b>				
Total funds brought forward		2,365,320	621,293	2,986,613
Total funds carried forward	23	4,150,174	4,234,892	8,385,066



# BALANCE SHEET

AS AT 31 DECEMBER 2021

	Note	31 Dec 2021 £	30 April 2021 £
<b>Fixed assets:</b>			
Intangible assets	15	46,802	47,523
Tangible assets	16	3,219,256	2,553,385
		<b>3,266,058</b>	<b>2,600,908</b>
<b>Current assets:</b>			
Debtors	18	369,510	416,615
Cash at bank and in hand		4,472,186	6,644,908
		<b>4,841,696</b>	<b>7,061,523</b>
Creditors: amounts falling due within one year	19	(555,815)	(994,650)
Net current assets		4,285,881	6,066,873
Total assets less current liabilities		7,551,939	8,667,781
Creditors: amounts falling due after more than one year	20	(137,715)	(282,715)
Net assets		7,414,224	8,385,066
Funds of the Charity			
Restricted funds		6,422,251	4,234,892
Unrestricted funds		991,973	4,150,174
Total funds	23	7,414,224	8,385,066

The financial statements on pages 72 to 99 were approved by the Trustees on 28 October 2022, and signed on their behalf by:

*Mohammed Jahangir*

**Mohammed Jahangir**

Chair of Board of Trustees



# STATEMENT OF CASH FLOWS

FOR THE 8 MONTHS TO 31 DECEMBER 2021

	Note	8 Months to 31 Dec 2021 £	12 Month ending 30 Apr 2021 £
<b>Cash flows from operating activities:</b>			
Net (expenditure)/income		(970,842)	5,398,453
<b>Adjustments to cash flows from non-cash items:</b>			
Depreciation	16	157,454	201,541
Amortisation	15	10,800	14,658
Investment income	5	(19,070)	(30,565)
Impairment	16	–	–
		(821,658)	5,584,087
<b>Working capital adjustments:</b>			
Decrease in debtors	18	47,105	394,703
Decrease in creditors	19	(438,835)	(777,022)
Net cash flows from operating activities		(1,213,388)	5,201,768
<b>Cash flows from investing activities:</b>			
Interest receivable and similar income	5	19,070	30,565
Purchase of intangible fixed assets	15	(10,079)	(2,489)
Purchase of tangible fixed assets	16	(823,325)	(223,885)
Payment on tangible fixed assets	20	(145,000)	(290,000)
Net cash flows from investing activities		(959,334)	(485,809)
Net (decrease)/increase in cash and cash equivalents		(2,172,722)	4,715,959
Cash and cash equivalents at start of period		6,644,908	1,928,949
<b>Cash and cash equivalents at end of period</b>		<b>4,472,186</b>	<b>6,644,908</b>

All cash flows are derived from continuing operations during the above two periods.





# NOTES TO THE FINANCIAL STATEMENTS

FOR THE 8 MONTHS TO 31 DECEMBER 2021

## 1. CHARITY STATUS

The Charity is limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the Charity in the event of liquidation.

The address of its registered office is:  
Penny Appeal,  
Penny Appeal Campus,  
Thornes Park,  
Wakefield,  
WF2 8QZ

## 2. ACCOUNTING POLICIES

### — Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

### — Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

### — Basis of preparation

Penny Appeal 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 notes.

### — Going concern

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. They make this assessment having reviewed cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements.

These forecasts have been prepared on a pessimistic basis with performance less than prior periods. This reflects the current economic challenges any UK charity faces. Whilst the Trustees believe this pessimistic view will be exceeded by actual trading, it has been adopted as a base for assessing going concern, to ensure that due care is being taken when making decisions about the financial future of the organisation.

Furthermore, the Trustees note that short term actions such as reducing capital expenditure, or the disposal of non-core assets would provide additional cash inflows to ensure the Charity remains a going concern should factors mean that they do not hit their pessimistic cash flow forecast.

### — Income and endowments

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 the income receivable can be measured reliably.

### — Donations

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled.

### — Gifts in kind

Gifts in kind are recognised in different ways dependent on how they are used by the Charity:

- (i) Those donated for resale produce income when they are sold. They are valued at the amount actually realised.
- (ii) Those donated for onward transmission to beneficiaries are included in the Statement of Financial Activities as incoming resources and resources expended when they are distributed. They are valued at the amount the charity would have had to pay to acquire them.
- (iii) Those donated for use by the charity itself are included when receivable. They are valued at the amount the charity would have had to pay to acquire them.

### — Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

### — Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

### — Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

### — Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

### — Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

### — Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

### — Governance costs

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustee's meetings and reimbursed expenses.

### — 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.

### — Intangible assets

Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

### — Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost.

### — Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class:</b>	Website development
<b>Method and rate:</b>	Over 3 years

### — Depreciation

The building purchased during the year is not in use therefore not depreciated. Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class:</b>	Fixtures and fittings	Computer equipment	Motor vehicles
<b>Method and rate:</b>	Over 5 years	Over 3 years	Over 4 years



### — Impairment

At each balance sheet date an assessment is conducted of the carrying value of assets where there is an indication of impairment. Any resulting impairment charge is posted to total expenditure.

### — Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future income from the related project.

### — Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

### — Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### — Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### — Pension

The Charity operates a group personal pension scheme and the pension charge represents the amount payable by the Charity to fund in respect of the year. As of 2014 it became a statutory requirement for all employees to be made a part of the pension scheme and the Charity makes a contribution to this. Employees can opt out of the scheme if they choose.

### — Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the Charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

### — Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

### — Fund structure

Unrestricted income funds are general funds that are available for use at the Trustee's discretion in furtherance of the objectives of the Charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

### — Stock

Stocks and work in progress are stated at the lower of cost and net realisable value. Net realisable value is based upon estimated selling prices less further costs expected to be incurred for completion and disposal.

### — In-kind income

Penny Appeal recognises In-kind income only when custody of stock is achieved and the charity can exert its control over the holding and distribution of stock.

### 3. INCOME FROM DONATIONS - ANALYSIS BY INCOME TYPE

	Unrestricted funds General £	Restricted funds £	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
Donations to major appeals	1,064,866	13,451,794	14,516,660	26,034,189
Gift aid reclaimed	1,652,819	-	1,652,819	2,618,922
Gifts in kind	-	-	-	-
	2,717,685	13,451,794	16,169,479	28,653,111

### 4. INCOME FROM DONATIONS - ANALYSIS BY ACTIVITY FUNDED

	Unrestricted funds General £	Restricted funds £	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
General	2,717,685	2,040,557	4,758,242	7,837,062
Feeding	-	3,265,754	3,265,754	5,960,392
Emergency	-	1,728,030	1,728,030	2,451,112
Orphans	-	3,617,986	3,617,986	7,272,027
Education	-	154,374	154,374	192,725
Water	-	1,856,138	1,856,138	3,314,778
Medical	-	147,153	147,153	289,594
Community Establishment	-	641,802	641,802	1,335,420
Total	2,717,685	13,451,794	16,169,479	28,653,111

### 5. INVESTMENT INCOME

Income received on bank deposits relates wholly to accounts held with Islamic banks.

	Unrestricted funds General £	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
Income receivable on bank deposits	19,070	19,070	30,565

### 6. EXPENDITURE ON RAISING FUNDS

	Direct £	Support £	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
Events	324,595	19,325	343,920	279,932
Publicity	411,670	30,163	441,833	359,630
Fundraising	3,106,037	151,828	3,257,865	2,651,728
Total	3,842,302	201,316	4,043,618	3,291,290

The fundraising costs includes advertising, marketing, staff costs and consultancy cost.

### 7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Activity undertaken directly £	Grant funding of activity £	Activity support costs £	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
General	1,297,484	958,900	368,448	2,624,832	5,148,490
Feeding	986,786	1,536,080	280,219	2,803,085	3,881,642
Emergency	405,800	966,630	115,236	1,487,666	2,847,290
Orphans	1,203,938	1,550,595	341,884	3,096,416	4,016,003
Education	31,907	19,754	9,061	60,722	286,737
Water	548,786	1,255,399	155,840	1,930,025	2,433,499
Medical	47,944	112,965	13,615	174,524	291,795
Comm. Establishment	221,089	654,630	62,783	938,502	1,088,478
Total	4,743,734	7,024,953	1,347,086	13,115,773	19,993,933

In addition to the expenditure analysed above, there are also governance costs of £225,130 (year ended 30 April 2021: £271,718) which relate directly to charitable activities. See note 8 for further details.



## 8. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

Support costs allocated to raising funds:

	Finance costs £	Information Technology £	Administration costs £	Premises costs including depreciation £	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
Fundraising	56,054	54,440	10,677	80,146	201,317	163,861

Support costs allocated to charitable activities:

	Finance costs £	Information Technology £	Administration costs £	Premises costs including depreciation £	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
General	102,589	99,636	19,541	146,682	368,448	504,255
Feeding	78,022	75,777	14,862	111,558	280,219	383,505
Emergency	32,086	31,162	6,112	45,876	115,236	157,710
Orphans	95,193	92,453	18,131	136,107	341,884	467,899
Education	2,523	2,450	481	3,607	9,061	12,400
Water	43,391	42,142	8,265	62,041	155,839	213,281
Medical	3,791	3,682	722	5,420	13,615	18,633
Comm. Establishment	17,481	16,978	3,330	24,994	62,783	85,924
Total	375,076	364,280	71,444	536,285	1,347,085	1,843,608

Governance costs allocated to charitable activities:

	Unrestricted funds General £	Restricted funds £	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
Audit of the financial statements	5,883	29,117	35,000	48,000
Legal fees	31,956	158,174	190,130	223,718
Total	37,839	187,291	225,130	271,718

## 9. GRANT-MAKING

Below are details of grants made to institutions:

	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
<b>Name of Institution:</b>		
Penny Appeal Pakistan	1,447,644	1,172,258
ILM	957,166	1,431,364
Others each less than £50k	789,411	784,613
United Purpose	760,344	917,406
Alliance with Communities for Rural Engagement	451,695	-
Medical Aid for Palestinians (MAP)	312,603	220,148
Rural Aid Pakistan	243,002	-
Palestinian Farmers Union	238,955	174,417
Shushilan	198,379	196,148
Organisation for Research and Community Development	175,244	495,017
HELP (Health, Education and Literacy Programme)	163,061	269,680
ACRE Uganda	129,051	437,441
International Social Service	114,813	-
Haji Superstore	100,354	83,777
Penny Appeal Canada	99,223	1,704,246
Rural Development Centre (RDC) Nepal	89,250	64,500
Mandwi	87,934	-
Moroccan Children's Trust	81,854	56,282
Responsiveness for Relief and Development	80,873	134,852
Action Aid London	77,537	270,446
Sheba Manab Kallyan Kendra (SMKK)	72,000	-
African Development Trust (ADT)	67,856	-
Afghanistan and Central Asian Association	63,671	65,558
Penny Appeal South Africa	61,290	735,329
Mother HELP Age	56,211	79,452
Nabd Development and Evolution Organisation	53,627	154,916
Al Makassed Islamic Charitable Hospital	51,905	52,904
African Development Trust	-	424,425
Mandwi	-	416,502
Penny Appeal Gambia	-	318,705
International Blue Crescent Relief and Development Foundation	-	217,711
Sajida Foundation	-	186,299

	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
<b>Name of Institution:</b>		
Syria Relief	-	153,251
Unnayan Shahojogy Team (UST)	-	143,850
Annasrou Deen et Developpement	-	138,392
Penny Appeal Middle East	-	116,113
Action for Humanity	-	113,467
Read Foundation	-	110,000
INSAN	-	98,276
The Humanitarian Forum Yemen	-	86,786
Penny Appeal USA	-	60,000
Karama Organisation	-	59,383
Shamaazi Ltd	-	57,050
Humanitarian Assistance for the Women	-	56,000
<b>Total</b>	<b>7,024,953</b>	<b>12,256,962</b>

## 10. NET INCOMING/OUTGOING RESOURCES

Net incoming resources for the year include:

	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
Depreciation	157,454	201,541
Amortisation	10,800	14,658

## 11. TRUSTEES REMUNERATION AND EXPENSES

No Trustees, nor any persons connected with them, have received any remuneration from the Charity during the year.

During the year, Key Management Personnel (who comprise the Charity's Executive Committee) were paid £561,787 (year ended 30 April 2021: £464,108) for their services to the Charity.

## 12. STAFF COSTS

The aggregate payroll costs were as follows:

	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
<b>Staff costs during the year:</b>		
Wages and salaries	2,439,563	3,821,679
Social security costs	222,427	336,309
Pension costs	41,393	66,634
<b>Total</b>	<b>2,703,383</b>	<b>4,224,622</b>

The monthly average number of persons (including senior management team) employed by the Charity during the year expressed as full-time equivalents was as follows:

	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
Charitable activities	42	47
Fundraising and Marketing	57	86
Admin and Support	32	23
<b>Total</b>	<b>131</b>	<b>156</b>

The number of employees whose emoluments fell within the following bands was:

	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
£60,001 - £70,000	4	2
£70,001 - £80,000	1	1
£80,001 - £90,000	0	1
£90,001 - £100,000	1	1

### 13. AUDITOR'S REMUNERATION

	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
Audit of the financial statements	35,000	48,000

### 14. TAXATION

The Charity is a registered charity and is therefore exempt from taxation.

### 15. INTANGIBLE ASSETS

	Software development £
<b>Cash</b>	
At 1 May 2021	238,831
Additions	10,079
At 31 Dec 2021	248,910
<b>Accumulated amortisation</b>	
At 1 May 2021	191,308
Charge for the period	10,800
At 31 Dec 2021	202,108
<b>Net book value</b>	
At 31 Dec 2021	46,802
At 1 May 2021	47,523

All amounts above relate to software development costs for the Charity's website and software.

### 16. TANGIBLE ASSETS

	Land and buildings	Furniture and equipment £	Motor vehicles £	Total £
<b>Cash</b>				
At 1 May 2021	2,141,063	1,248,069	76,448	3,465,580
Additions	678,694	49,846	94,785	823,325
Disposals	-	-	-	-
Impairment	-	-	-	-
At 31 Dec 2021	2,819,757	1,297,915	171,233	4,288,905
<b>Accumulated depreciation</b>				
At 1 May 2021	-	838,341	73,854	912,195
Charge for the period	19,526	134,304	3,624	157,454
At 31 Dec 2021	19,526	972,645	77,478	1,069,649
<b>Net book value</b>				
At 31 Dec 2021	2,800,231	325,270	93,755	3,219,256
At 1 May 2021	2,141,063	409,728	2,594	2,553,385

Included within the net book value of land and buildings above is £2,819,757 (30 April 2021: £2,141,063) in respect of freehold land and buildings and £0 (30 April 2021: £0) in respect of leaseholds. The additions in the period relate to the refurbishment of the Head Office.

### 17. STOCKS

Stocks relate to medical supplies held for distribution. There were no stocks throughout the period ending 31 December 2021.

### 18. DEBTORS

	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
Due from group undertakings	-	-
Prepayments	157,822	57,213
Other debtors	-	114,059
Gift Aid debtor	211,688	245,343
Total	369,510	416,615



## 19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
Trade creditors	79,096	540,163
Other taxation and social security	70,273	119,994
Other creditors	19,284	-
Accruals	387,162	334,493
Total	555,815	994,650

## 20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
Other creditors	137,715	282,715

Creditors amounts falling due after more than one year includes liabilities, on which security has been given by the Charity.

## 21. OBLIGATIONS UNDER LEASES AND HIRE PURCHASE CONTRACTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	8 Months to 31 Dec 2021 £	Year Ended 30 Apr 2021 £
Land and buildings		
Within one year	-	5,500
Between one and five years	-	-
	-	5,500

## 22. PENSION AND OTHER SCHEMES

The Charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Charity to the scheme and amounted to £41,393 (year ended 30 April 2021: £66,634).

## 23. FUNDS

	Balance at 1 May 2021	Incoming resources £	Resources Expended £	Transfers £	Balance at 31 Dec 2021
<b>Unrestricted funds</b>					
General	4,150,174	2,736,755	(3,730,823)	(2,164,133)	991,973
<b>Restricted funds</b>					
General	3,192,104	2,040,558	-	-	5,232,662
Feeding	-	3,265,754	(3,845,088)	579,334	-
Emergency	1,042,788	1,728,030	(1,581,229)	-	1,189,589
Orphans	-	3,617,986	(4,691,231)	1,073,245	-
Education	-	154,373	(124,328)	(30,045)	-
Water	-	1,856,138	(2,138,385)	282,247	-
Medical	-	147,153	(186,819)	39,666	-
Community	-	641,802	(861,488)	219,686	-
Total restricted funds	4,234,892	13,451,794	(13,428,568)	2,164,133	6,422,251
Total funds	8,385,066	16,188,549	(17,159,391)	-	7,414,224

### — Unrestricted funds

Donors do not specify project or programme when donating money. The Charity spends this money based on where most needed.

### — Community

Community cohesion is at the heart of Penny Appeal's work across the globe. Whether we are providing emergency relief or implementing holistic, sustainable projects, we take care to consider the community as a whole. This means ensuring that our projects are accessible to even the most marginalised members of society, taking their individual and unique needs into consideration when planning a response. Here in the UK, our food provisions and other events are designed to bring people from all faiths and backgrounds together in the spirit of cohesion.

### — Education

Through our Education Programme, we give disadvantaged children the support they need to attend school, empowering them to learn and succeed. We do this through the construction and improvement of physical infrastructure and facilities, creating spaces for children to learn in peace and safety. With a particular focus on female education, we strive to promote gender equality, equipping girls with the skills and knowledge they need to become independent, empowered members of their communities.

### — Emergency

We operate Emergency Response initiatives across several countries, including Syria, Palestine, Yemen, Bangladesh, Mozambique, Turkey, Indonesia, Nepal, Kashmir, Australia, and here in the UK. We start by providing immediate relief, such as food, shelter, and water, before progressing many of our initiatives into second and third phases, focused on recovery. We therefore have a range of projects providing longer term, sustainable solutions, including disaster preparedness training and livelihood support. With a newly established Disaster Response Team, we are able to respond to emergencies in a timely and appropriate manner.

### — Food

Working in over thirty countries around the world, we provide food solutions on both a long-term and short-term basis. During Ramadan we deliver over a million meals to people living in poverty, putting together food parcels containing nutritious, culturally appropriate food. Our longer-term solutions include teaching communities to farm sustainably, delivering training and awareness sessions to ensure that the people we reach are able to adapt their farming styles to suit changes in the climate. They can then get the most from their farming, keeping the crops to feed their families and selling the surplus at markets to earn an income.

### — Water

We provide clean drinking water to some of the poorest people in the world. Our innovative programme provides water through the installation of tube wells, deep wells, and solar panel water and power centres that can provide water for entire communities. Going further than the provision of safe water, we also run awareness sessions on topics such as hand washing and safe water storage to ensure that the communities we reach are able to practice good hygiene, reducing the spread of preventable illness and waterborne disease.

### — Medical

We run a number of projects designed to improve the healthcare services available to people living in poverty, as well as IDPs living in temporary shelters. In countries suffering from ongoing violence and conflict, we provide hospitals with the resources and facilities they need to treat patients. For IDPs, we set up medical camps and provide mobile medical services to ensure that they are able to access the healthcare they need.

### — Orphan

We support orphans through projects holistically designed to meet the needs of the children in a way that is tailored to their specific circumstances. Through our orphan sponsorship initiative, we provide marginalised orphaned children with access to food, clean water, medical assistance, and a high-quality education. We also provide specialised support across areas such as nutrition, education, and advocacy. Finally, we work with the child's remaining family members, where possible, to empower them to take care of the child and ensure that their needs are met.

### — Transfers

All costs are charged to the funds and then transfers are made from the unrestricted funds to cover the deficits.

## 24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds General £	Restricted funds £	Total funds as at 31 Dec 2021 £
31 December 2021			
Intangible fixed assets	46,802	-	46,802
Tangible fixed assets	3,219,256	-	3,219,256
Current assets	(1,580,555)	6,422,251	4,841,696
Current liabilities	(555,815)	-	(555,815)
Creditors over 1 year	(137,715)	-	(137,715)
Total net assets	991,973	6,422,251	7,414,224

	Unrestricted funds General £	Restricted funds £	Total funds as at 30 April 2021 £
30 April 2021			
Intangible fixed assets	47,523	-	47,523
Tangible fixed assets	2,553,385	-	2,553,385
Current assets	2,826,631	4,234,892	7,061,523
Current liabilities	(994,650)	-	(994,650)
Creditors over 1 year	(282,715)	-	(282,715)
Total net assets	4,150,174	4,234,892	8,385,066

## 25. SUBSIDIARY ACCOUNTS

The Charity owns 100% of the shares of its trading subsidiary Penny Appeal Ventures Limited (Company no 11051892). Due to the size and level of transactions being immaterial, the subsidiary has not been consolidated into Penny Appeals financial statements.

## 26. RELATED PARTY TRANSACTIONS

### Transactions with related parties

#### — Esplanade Vale Media Limited, trading as British Muslim TV (BMTV)

During the period Penny Appeal paid £732,459 (year ended 30 April 2021: £179,580) to BMTV for advertising and for producing a number of documentaries on behalf of the charity.

For transparency, it is disclosed that Esplanade Vale Media Limited had separate commercial agreements with companies owned or controlled by Adeem Younis, a Trustee of Penny Appeal.

During the period, Esplanade Vale Media Limited made the following payments to such companies under those agreements: £160,000 (year ended 30 April 2021: £240,000) for advertising; £57,600 (year ended 30 April 2021: £86,400) for studio and broadcast equipment rental; £88,812 (year ended 30 April 2021: £133,219) for property rental; and £19,200 (year ended 30 April 2021: £28,800) for IT network rental.

These were independent payments made by Esplanade Vale Media Limited for services provided to it, and these did not impact on the contractual arrangements or payments between Penny Appeal and Esplanade Vale Media Limited.

#### — MB Trading House Limited

During the period, Penny Appeal paid MB Trading House Limited, £115,200 (year ended 30 April 2021: £14,400) for online fund raising and marketing services. MB Trading House Limited is not considered to be a related party to Penny Appeal, but for transparency it is disclosed that MB Trading House Limited had a separate commercial arrangement under which it paid £8,000 (year ended 30 April 2021: £12,000) for office space rental to a company owned by Adeem Younis, a Trustee of Penny Appeal.

#### — Penny Appeal USA

Penny Appeal USA Inc (PAUS) is established as an international fundraising office. It is an independent entity incorporated in Virginia, USA. Adeem Younis is also a director of PAUS. During the period, PAUS made payments of £124,501 to the Charity as contributions to programmes (year ended 30 April 2021: £854,323).





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