



pennyappeal

Annual Report & Financial Statements

For the Year Ended 30 April 2018

✉ PENNYAPPEAL.ORG ☎ 03000 11 11 11

Cross Street Chambers, Cross Street,
Wakefield, WFI 3BW

CHARITY REGISTRATION NUMBER: 1128341
COMPANY REGISTRATION NUMBER: 06578382



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Penny Appeal

Penny Appeal is an international and domestic relief and development organisation, working in over 30 crisis-hit countries and here, at home, in the UK to provide poverty relief – including emergency aid, orphan care, water solutions, food security and other interventions that are pathways out of poverty.

We work with vulnerable communities, families and individuals. Our mission is simple – to transform lives and empower communities through effective immediate aid and long-term sustainable projects.

Penny Appeal makes charitable giving affordable and rewardable to donors, with high impact, ensuring everyone can help the poor and needy by donating just a few pennies each day.



Working in over 30
crisis-hit countries and
here, at home, in the UK.



CEO's Statement

This year has seen Penny Appeal continue to go from strength to strength, helping an ever-growing number of people across the globe and here in the UK, who are in need, through our wide range of programmes.

Whilst we are a Muslim-led organisation, we have supported those in need regardless of faith and background.

This year Penny Appeal has had continued growth, with our income increasing by almost £6m compared to the previous year. This has enabled us to continue to support our longer term projects as well as developing new ones and being able to provide emergency relief in several countries. We have added to our family of sister organisations – which already includes the USA and Australia, by establishing a presence in South Africa, and we are currently well advanced in our plans to open operations in other countries, including Canada and the UAE.

Penny Appeal continues to work helping those in need in over 30 countries, including Pakistan, Bangladesh, Syria, Yemen, Senegal and The Gambia, as well as here in the UK. Our work over the last year has helped us to support people in need across the globe with food, clean drinking water, infrastructure development, education, healthcare and safe spaces for women and children.

We have continued to support Rohingya refugees displaced from Myanmar who have sought refuge in Bangladesh. As well as support with food and shelter, we have opened two child-friendly space centres in the camps. These are being used for activities such as psychological support, counselling, and lessons on hygiene awareness. These child friendly spaces are so important in helping children find normality and happiness among the devastation they have witnessed.

Our work over the last year has helped us to support people in need across the globe with food, clean drinking water, infrastructure development, education, healthcare and safe spaces for women and children.

Last year's Winter Campaign used the theme #AsBritishAs. This was a hugely successful campaign which saw an advert on ITV and Channel 5 over Christmas 2017, at its heart, the first time a Muslim charity has aired on terrestrial channels. Even though we are Muslim, we are proudly British and our #AsBritishAs campaign highlighted this. As a humanitarian charity our work takes us all over the world providing lifesaving medical aid, food and water, but our work in the UK is just as important, working with the homeless and the elderly who are more vulnerable during the winter months. The campaign was immensely successful in raising much needed funds for those in need over the winter but it also trended on Twitter and won the prestigious Creative Media Campaign at the Asian Media Awards.

Our volunteer programme, Team Orange, continues to grow with even more people signing up to volunteer to help those in need, mainly in the UK. They have also undertaken a wide-range of exciting fundraising challenges, with many Team Orange members running in marathons across the country, undertaking parachute jumps, and culminating in a trek to summit Mount Kilimanjaro.

It has been an exciting year for everyone at Penny Appeal and our partners and I are proud that we continue to grow and help more and more vulnerable people in need. 2019 sees our tenth anniversary and we're developing an exciting programme of events to mark this and enable us to help even more people around the world and at home in the UK. Watch this space!

Aamer Naeem OBE
Penny Appeal, CEO

Strategic Report

Strategic Report for the Year Ended 30th April 2018

The trustees, who are directors for the purpose of company law, present their strategic report for the year ended 30th April 2018, in compliance with s414C of the Companies act 2006

Achievements and performance Global and local working

As in previous years, this last year has seen Penny Appeal continue to work toward a sustainable world. We do this by helping to empower people and build strong communities across the Middle East, Africa, Asia and here in the UK.

We have continued our sustainable development programmes in Pakistan, The Gambia, Gaza, Lebanon, Nepal, Somalia and Sudan to name just a few. The aim of these programmes is essentially to provide people with the foundations to then help themselves, pulling themselves out of poverty and improving their longer term life chances and dignity.

For every overseas programme, we aim to have a sister initiative in the UK. Our UK programmes see us partner with a wide range of community, voluntary, statutory and faith-based organisations to deliver life-changing support to disadvantaged and vulnerable people.



New Campaigns

This year has seen Penny Appeal continue to launch new initiatives.

Our WOW Women's Welfare programme aims to attain gender equality throughout the world and empower women and girls. Some examples of the work undertaken includes helping women in The Gambia to develop gardens where they can grow foodstuffs which they can sell to generate a sustainable income. In Pakistan, we are delivering education services to girls to help them to build a better future. As part of WOW, we are creating safe spaces for women within refugee camps, and mental health services to support women through pregnancy and childbirth.



Our HEAL HUMANITY programme aims to provide front line medical services. Ambulances, hospital rooms, wheelchairs and eye operations form core interventions alongside emergency medical care in crisis situations.

Inspired by the Quranic verse:

'...whoever saves a life, it is as if he had save entire humanity' (5:32)

The programme works to save and change lives throughout Asia, the Middle East and Africa.



Emergency Response and Short-Term Interventions

Whilst we aim to develop longer-term, sustainable programmes, sadly, there will always be a need for us to provide rapid and flexible responses to emergencies around the world.

Seven years on in Syria, smoke continues to rise from the rubble of broken buildings around a nation living in fear. The cities, once bustling with life, lie empty, levelled by airstrikes and burned by the flames of war. Children pick through rubbish in their frantic search for food, playing in abandoned, burnt out vehicles in their desperation to soak up the last of their childhoods. The Syrian conflict has wrought devastation upon the entire country, claiming over a quarter of a million lives.

Penny Appeal are there, right now, giving thousands of Syrian families a lifeline. Despite the threat of airstrikes, we remain steadfast in our determination to keep these people safe. It is our job to ensure that they are able to feed themselves and have access to clean, safe water and adequate health care and medicine. Thanks to your support, we have saved the lives of thousands upon thousands of Syrians, caring for them and supporting them through one of the most devastating conflicts of modern time.

The people of Gaza are living in jail-like conditions, with the blockades rendering them prisoners in their own towns, with no access to food, clean water, livelihoods, or a life outside the small strip of land to which they have been confined.

Over the last year, your support has gone a long way in helping the people of Gaza to live more safely and comfortably. Thanks to you, we have been able to bring vital relief to Gazan families, saving the lives of so many and reminding them that the world outside still cares for them deeply.

Our work in Gaza saw the introduction of our first Water Tanker which provides access to 8,000 school children, giving them accessibility to clean, drinkable water, thus reducing their exposure to health problems related to unclean water in 17 schools. Our Olive Trees project has empowered small scale farmers to cultivate land through the planting of olive seedlings and expanding their land. Our Women's empowerment project gave 50 widows the opportunity to put education first, allowing them economic, social and legal rights as well as the rights of their children. All 50 received psychosocial support, 48 had legal support, 15 women gained vocational skills, and 10 of those got jobs thanks to the training.

25 also received entrepreneurial training. Our Rooftop Greenhouses Project for Palestinian Refugee women aided in building new rooftop gardens in Dehisbe refugee camp. Women in these gardens were able to grow and sell 60–70kg of cucumbers. This gave valuable soft skill training for the women as well as business management skills. We were also able to provide a high quality ultrasound machine for Al Awda Hospital in Gaza. The ultrasound system has provided screening to over 393 patients, out of which 87 cases were diagnosed and appropriately treated using the new device in the first month alone.

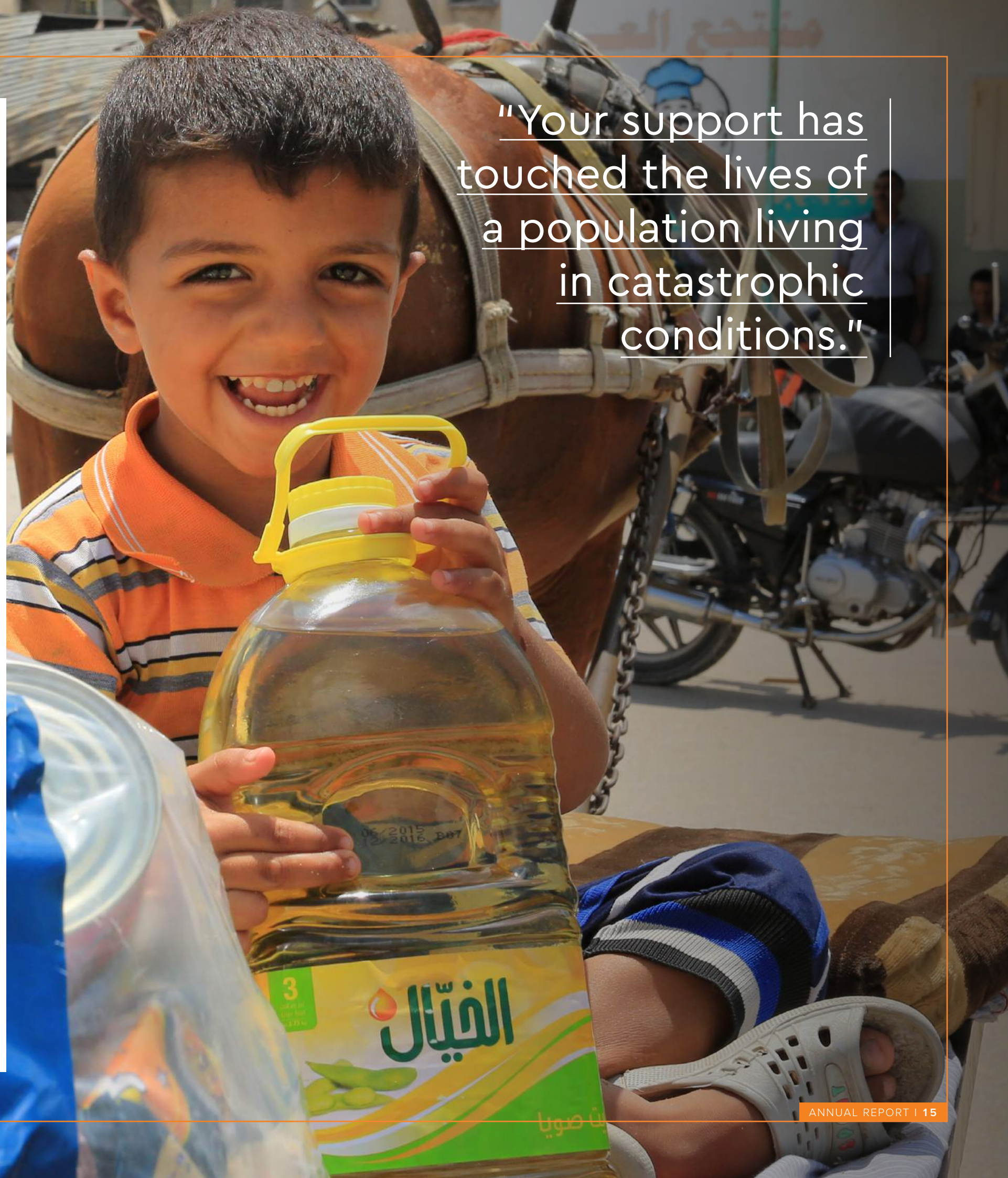
The Rohingya are one of the most marginalised groups in the world. Suspended between two nations, both of which view them as illegal foreigners, the no-man's land of the Rohingya camps have become a makeshift metropolis in which the longevity of their plight is clearly visible, but the access to schools, jobs, and other basic infrastructure, is severely lacking. We were able to reach out to the refugee community and let them know that there is somebody to whom they can turn. You gave them food, shelter, clean water, and safe and hygienic facilities. You educated their children and gave the most vulnerable in society a safe space to work through their traumas. Because of you, a rejected, persecuted community have now hope.

Yemen is frequently referred to as 'the world's worst humanitarian crisis' and is characterised by intense unrelenting poverty, chronic starvation, and a catastrophic health crisis. The population try their best to go about their daily tasks against a backdrop of air raids and violent warfare, but with many internally displaced, their lives are changed so irrevocably that all sense of normality has been lost.

In a country where hope is lost, your support has touched the lives of a population living in catastrophic conditions. From food distributions to provisions of winter clothing, fuel, and blankets, you have been there for the people of Yemen in their time of need. With your support we have saved lives through the distribution of hygiene kits, kept their water clean and safe, and provided vital medicine in times of outbreak. Thanks to your incredible dedication to those in need, many people that would have been lost to any number of horrors are alive today.

Many may not realise, but there is also a need for short-term projects here in the UK. With homeless numbers increasing, Penny Appeal has a number of feeding provisions around the country, including Wakefield, Bradford, Coventry, Manchester and London providing warm food to those in need. This year we have provided at least 25,000 meals for those in need, including the homeless and refugees in the UK. We also provide warm clothing and personal hygiene products for those unfortunately living on our streets during the winter.

"Your support has touched the lives of a population living in catastrophic conditions."





Strategic Report

Sustainable Development Initiatives

At Penny Appeal, we go beyond responding to urgent needs by giving communities the tools to lift themselves out of poverty and into a better future, for good.

As the old adage goes... give a man a fish, and you feed him for a day; teach a man to fish, and you feed him for life. Although we know that we need to act fast in times of crisis, we also know that we need to provide long-term, sustainable development solutions. Our education, wellbeing and livelihoods initiatives are supporting disadvantaged communities to help them forge their own futures.

UNESCO has found that for every US\$1 spent on education, as much as US\$15 can be generated in economic growth. Our Education First programme is essential for lifting not only individuals, but also entire communities out of poverty. We involve communities in the refurbishment and building of schools, so that local people can maintain their schools for years to come, as well as training teachers so that they can provide a quality education. We also gave informal education to children in Lebanon, Bangladesh and Pakistan through our Forgotten Children initiative, making sure that street children, refugees and orphans can catch up with their peers and return to school.

We also match donors with vulnerable children who may have lost one or both parents through our OrphanKind and Hifz Orphan projects, which help provide safety, food, protection, shelter and a good education to those most in need. We are currently building an OrphanKind Complex in Pakistan with homes for children and their foster mothers, a mosque and a school, to create a safe, loving community for children.

As we support children to build for their futures, we must not forget the millions of elderly people around the world living in poverty and isolation. Our Adopt a Gran campaign has continued to thrive this year with elderly receiving hot meals, access to healthcare and social support. We're also supporting vulnerable elderly people in the UK, through Tea Parties which we run in local residential homes, to tackle loneliness and provide friendship and support.

Agriculture is the backbone of many economies around the world. Our agricultural initiatives are helping people to learn new skills and grow food to feed their families and sell to others. For example, we purchased 400 plots of land on the west coast of The Gambia, which was hit hard by the 2011 drought, and made them into a Horticultural Garden, training women and an Agricultural Technician from the nearby villages to make the most of their land. An enormous variety of crops are now being grown – from onions to spinach to mangoes – to benefit the local community. In Palestine, we also provided over 9,000 olive seedlings to help provide a sustainable income for families.

We're supporting women who have experienced domestic and sexual abuse, both in the UK and in Bangladeshi refugee camps. Our outreach work and in-depth counselling in Birmingham, Wakefield and London offers non-judgemental and confidential support and in Bangladesh, we are supporting Rohingya refugee women who have been victims of sexual violence before fleeing Myanmar, by building Women Friendly Spaces with psychosocial support in refugee camps.

Faith-based Initiatives

We are a confidently Muslim charity, and whilst our faith-based principles drive all our programmes, they play a central role in certain cases.

During Ramadan, our incredible volunteers team travelled around the country, distributing food parcels and serving over 6,000 hot meals to refugees, homeless individuals and vulnerable groups and 800 food parcels to needy families. Holding community iftars, distributing food parcels, providing fresh produce, groceries, tea, coffee, and cake, our volunteers worked tirelessly, many of whom were fasting themselves, to ensure that nobody was left behind or forgotten during the holy month of Ramadan.

We also worked to Feed Our World, feeding millions of people through holding community iftars and suhoors over the months of Ramadan, giving Qurbani to those in need and feeding people all year round, and especially over the winter months, where finding food can become even more difficult.

In March 2018, we joined with Imams from around the country to create an Islamic Guide to Adoption and Fostering, funded by the Department of Education, which we later presented to the House of Commons. Our goal is to challenge people's misconceptions about fostering and adoption, and to encourage more s to adopt and foster children here in the UK.

We have been bringing communities together by building mosques around the world with our Mosque Project, ensuring that people have access to a social hub where people can come together to pray, learn, mourn and celebrate as one. We constructed 7 rural Masjids in war-torn Sudan, providing a safe place for people to come together in prayer.

Principle Funding Sources

During the year, Penny Appeal raised £24.5m (2017: £18.6m), a significant increase of 32% (2017: 35%) from prior year position.

The claimed Gift Aid was £2.9m (2017: £2.4m) representing around 12% (2017:13%) of total income raised in the year. Gift Aid remains an important source of income for Penny Appeal and we make effective use of this additional money. Gift Aid helps to cover our essential operating and administration costs, ensuring donations can have maximum impact and reach those in need.

Gift Aid remains an important
source of income for Penny Appeal

Charitable Activities

The charity spent £18.6m (2017: 12.5m) on charitable activities, representing 76% (2017: 71%) of total spend.

Key areas of spend include the following:

	2018 £m	2017 £m	% Increase in spend
Key areas of spend			
Orphans	6.0	3.9	54%
Feeding	3.4	2.2	55%
Water	2.5	0.9	178%
Community establishment	1.8	1.7	6%
Emergency	1.9	0.6	217%

The charities support costs during the year were £1.3m (2017: £0.8m) – this represents 5.3% (2017: 4.5%) of the total income raised during the year.

During the year, the charity spent £0.9m (2017: £2.1m) on education and awareness initiatives focused on UK audiences. This was all funded by general reserves with no impact on relief activities. This in turn enabled the charity to engage a wider audience in helping the charity achieve its long-term objectives.

Financial Review

Investment Policy and Objective

As most of the charity's funds are spent in the short-term, Penny Appeal currently has no investment policy in place.

Reserves Policy

Penny Appeal General reserves year on year have been increasing:

	2018 £m	2017 £m	2016 £m	2015 £m	2014 £m
General Reserve	1.3	0.8	0.5	0.5	0.4
Restricted	3.0	3.5	2.6	1.3	0.5

In the trustees' view, 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 reserves at a level which is at least equivalent to six months' operational expenditure and have done so having regards to its manner of operation of likely funding streams.

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.

Major risks and management of those risks

Penny Appeal maintains a risk register that identifies key corporate risks and drives action plans to mitigate these risks. The Penny Appeal CEO leads this process. The Programmes department have developed a Programme Risk Management Framework that drives risk management at field office level. The aim of this framework is to ensure the Penny Appeal funds are spent properly and securely, achieving Penny Appeal objectives of alleviating poverty.

Safeguarding

The International NGO sector has been hit with media headlines highlighting the abuse carried out by relief workers. This in turn has made all INGOs revisit their systems and processes in place to ensure aid is delivered in a manner that protects staff and beneficiaries from any kind of abuse.

Penny Appeal has taken a number of actions to protect staff and beneficiaries from any kind of abuse. These include:-

- + Implementation of robust Children's Safeguarding and Adults at Risk Safeguarding policies.
- + Safeguarding leads and deputies are in place, which includes Trustees.
- + Staff and Trustees have received online safeguarding training and is mandatory for all new starters.
- + Code of Conduct and Whistleblowing policies are in place and have been shared with staff.
- + All safeguarding incidents are logged, investigated and action taken as required.
- + Our Programmes team is working closely with our International Offices and Partners to ensure safeguarding risks are identified and mitigated. In addition the team is providing support to develop policies, procedures, protocols, etc. for international partners.
- + Safeguarding is a standing item on all Trustee, SLT and SMT meetings and regular safeguarding advice and guidance is shared with staff via team meetings and organisational communications mechanisms.

Reputational risk caused by a fundraising activity

Penny Appeal ensures that all fundraising activities are planned well in advance with clear responsibilities at the outset. Locations and staff / volunteers are selected based on ability and skills. Only reputable contractors and venues are used.

An anti-money laundering policy is in place to counter any risk from donors. Penny Appeal collects adequate identity details for large donations. Phone calls to charity appeals on TV and radio are adequately vetted with adequate delays built in to ensure risk of nuisance and ill-intentioned calls are blocked.

Non-compliance to counter terrorism legislation

PENNY APPEAL does not permit nor condone any form of Terrorism or Facilitation of Terrorism or of a Proscribed Entity, either through the activity of PENNY APPEAL itself or through its National Offices, Donors, Participants 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. PENNY APPEAL 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 Programme department conduct due diligence on all Partners before they are engaged in the field to deliver projects. Penny Appeal conduct ongoing monitoring of projects through feedback reports and field office visits. This is to ensure the risk of non-compliance to counter terrorism legislation is minimised.

Trustees Report



Objectives and activities

Penny Appeal's vision

A sustainable world through empowered people and strong communities.

We're working towards this by taking small change and making a BIG difference with it. 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, and during this reporting period we have grown and enhanced our operations in each of these areas of aid delivery.

Mission

There are three parts to the Penny Appeal mission:

- i. To deliver short-term and long-term interventions to needy communities with competence and compassion.
- ii. To develop a knowledgeable, empowered and leader-full team.
- iii. To ensure self-reliance and sustainability in the organisation and the communities we serve.

Values

- + Professionalism and passion
- + Building trust in our team and ambition for our mission
- + Respect, integrity and innovation in our approach

Penny Appeal's objectives

To relieve poverty and advance the education for the public benefit of orphaned, destitute and poor children worldwide.

The relief of financial need and suffering among victims of natural or other kinds of disaster in the form of money (or other means deemed suitable) for persons, bodies, organisations and/or countries affected.

To promote such other charitable purposes as may from time to time be determined and agreed by the trustees.

Penny Appeal's objectives

The Strategic Report refers to the work undertaken to further public benefit. The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011, to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Fundraising

Penny Appeal strives to adhere to relevant statutory regulations including the Data Protection Act (2018) and the Charities Act (2011). We are continually revising our policies and procedures as we grow and to keep up to date with changes in legislation and regulations.

We are registered with the Fundraising Regulator and have developed our procedures to comply with the Code of Fundraising Practice. Penny Appeal is also a member of the Institute of Fundraising and our fundraising activities are legal, transparent, honest and respectful.

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

- + Individual donor giving
- + Major donor giving
- + Corporate or/and institutional giving
- + Community fundraising
- + Challenges
- + Live TV appeals
- + Events
- + Volunteers
- + Direct mail
- + Online giving
- + Call Centres

Fundraising activities are carried out by our own staff, volunteers, partners and professional fundraisers.

Code of Fundraising Practice

During the year we reviewed our compliance with the Fundraising Regulator's Code of Fundraising Practice. We plan to subject ourselves to an internal audit of compliance. We have internal policies which staff must adhere to with regards to due diligence and speaker checks for fundraising events.

General Data Protection Regulation (GDPR)

From May 2017 we have provided training to all senior staff and the GDPR action plan is implemented and continually monitored for compliance. We have a Data Protection policy and privacy statements.

Protection of vulnerable people

Penny Appeal abides by the Fundraising Regulator's Code of Fundraising Practice and ensures our staff and volunteers are fully briefed about the code on conduct with regard to the protection of vulnerable people. Before any external facing fundraising activity is undertaken, we brief staff and volunteers on best practice and make them aware of the need to identify, respect, support and protect vulnerable people.

Complaints handling

For instances where we do not meet the high standards, we set ourselves, we have a complaints policy in place. A complaint can be submitted to us either in person, by telephone, email or online via our website contact form. Complaints are dealt with in accordance with the process laid down in the policy and reported to the Fundraising Regulator through the annual return. We are also obliged to abide with requests submitted weekly via the Fundraising Preference Service from donors who no longer wish to receive communications from us.

During the year Penny Appeal received 4 complaints (2017: 04).

The Trustees



Adeem Younis

Chair of Trustees

Adeem is the co-founder of Penny Appeal, with admirable motivation to help others in desperate need. He is an alumni of The University of Leeds and a digital entrepreneur, whose expertise catalysed the unprecedented growth of the charity over recent years. Adeem led the creative approach that has seen the development of numerous innovative charity campaigns.

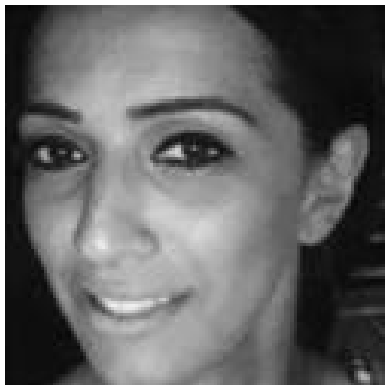


Rizwan Khaliq

Trustee

Rizwan has over 15 years experience of working in the charity sector at both Trustee and Directorship level. He currently sits on a number of advisory boards and has been instrumental in developing many of our flagship campaigns.

As a board member he provides a wealth of experience and is passionate about humanitarian work.



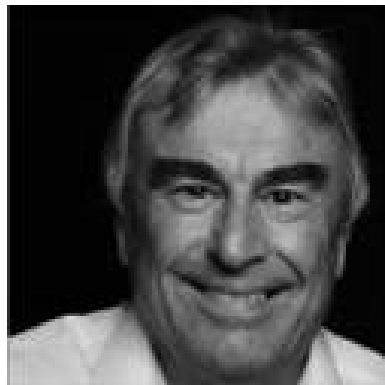
Isha Begum

Trustee

Isha is an interior designer and mother of two.

Her entrepreneurial acumen has driven the launch of various successful businesses, but it is her compassion and altruism that has fuelled her work at Penny Appeal.

Isha joined the charity as she was impressed by its growing list of achievements, and the innovative way Penny Appeal has managed to be one of the first to respond to global crises and emergencies.



Eric Timmins

Trustee

Eric is a qualified senior accountant with multiple years of director level experience within a number of international organisations.

Now retired, Eric has focussed his time and effort on giving back to the community into which he was born, by volunteering his expertise locally.

He joined Penny Appeal to satisfy his life-long desire to help those suffering in poverty worldwide.

Directors/Trustees:

Mr A Younis
Mrs I Begum
Rizwan Khaliq
Mr E Timmins

Key Management Personnel:

Aamer Naeem OBE
CEO

Hanif Malik OBE
COO

Yousaf Razaq
Director of Fundraising & Partnerships

Samia Hussain
Director of Operations

Harris Iqbal
Director of Programmes

Registered Office:

Cross Street Chambers
Cross Street
Wakefield
West Yorkshire
United Kingdom
WF1 3BW

Auditor:

PriceWaterhouseCoopers LLP
1 Hardman Square
Manchester
M3 3EB
www.pwc.com

Solicitor:

Simons Muirhead
& Burton LLP,
8-9 Firth Street
London
W1D 3JB.

Bank:

Natwest,
Wakefield City Branch
56 Westgate
Wakefield
WF1 1XF

Charity Registration

Number:
1128341

Company Registration

Number:
06578382

Structure, Governance & Management

The Board of Trustees

The Board of Trustees takes responsibility and directs the operations of the charity. Through the Senior Leadership Team, the board sets out priorities and objectives and also reviews performance on a regular basis.

The Trustees set the strategic agenda for the charity and drive good practice, with a real focus this financial year on governance and feeding back to donors on programmes work.

The Board of Trustees is made up from volunteers, who each bring unique skills and practical experience with them. They are nominated by Stakeholders and recruited through a screening process.

Induction and training for trustees

We offer professional development to our trustees, so they can understand their roles and responsibilities better.

This includes giving them a full overview of our strategic and operational functions, as well as a comprehensive welcome pack which includes a copy of the Memorandum and Articles of Association, the financial statements, board minutes and the Charity Commission guidance 'The Essential Trustee'.

They also receive inductions to the charity from Senior Leadership Team members, where they are given policies, reports and plans for upcoming campaigns, projects or events.

The Senior Leadership Team, guided by the CEO, also train and update the trustees on specific issues on changes to any legislation or regulatory standards.

This all combines to create a functional Board of Trustees, who can add value to the charity through their wide range of skills, expertise and knowledge.

Trustee appointment

Any applications received in respect of potential new trustees are reviewed by the existing trustees and approved by the main board, with trustees chosen because they have the diverse range of skills, knowledge and experiences that we need to respond to the needs of the charity.

Reporting

The CEO reports directly to the Board of Trustees and is responsible for the day-to-day running of the charity, through the management of the Senior Leadership Team, which is made up of Department Directors or Heads.

The Department leads are responsible for the implementation of the directive of the trustees or the CEO, and report back weekly with updates through face-to-face meetings.

Grant making policy

During the year, Penny Appeal made grants of £10.5m (2017: 7.2m) to 96 (2017: 52) 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 agreements is drawn up for all grants made.

Penny Appeal works closely with its Partners helping them invest and build their capacity so that they are effective in achieving Penny Appeal grant objectives.

Governing document

Penny Appeal is a charitable company limited by guarantee which was incorporated on 26th January 2009 and registered as a charity on 2nd 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 is determined to employ the right skill for the right job therefore a conscious effort is made to employ highly experienced staff in key management positions that can build the capacity of the overall organisation. Penny Appeal considers this necessary to ensure the usefulness of its resources is maximised and that every penny spent on beneficiaries goes far in addressing their needs.

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

Organisational Structure

This year was another significant period of growth for the charity, and several members of new staff were recruited to support the growing work. Departments which saw expansion were Finance, Projects, Programmes, Contact Centre and Marketing & Communications, Penny Appeal has four trustees.

The Trustees meet regularly to consider the activities of the charity and approve the overall direction of the charity.

Penny Appeal operates from New Cross Chambers at Cross Street, Wakefield as well as additional offices worldwide, including Pakistan and West Africa. The office in Bradford is a thriving volunteers hub, allowing our fundraising staff to hold regular meetings with fundraisers.

Volunteers

Team Orange are Penny Appeals loyal troupe of volunteers working tirelessly in their free time, the team are integral part of the Penny Appeal family and we ensure we care for them as much as we can. We manage all our volunteers directly. During the year, the volunteers contributed significant number of hours by giving their time to support our call centre, fundraising activities, and various challenges.

Related parties

Penny Appeal has only one related party Penny Appeal Trading Limited. This is the trading subsidiary of Penny Appeal.

Trustees Report

Trustees' Responsibilities

The trustees (who are also directors of Penny Appeal for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation. Company law requires the trustees to prepare financial statements for each financial year.

Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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 the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- + select suitable accounting policies and then apply them consistently;
- + observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- + make judgments and estimates that are reasonable and prudent;

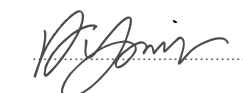
- + state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and

- + prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Annual Report, The Strategic Report & The Trustees Report is approved by the trustees of the Charity on 29th January 2019 and signed on its behalf by:



Adeem Younis
Trustee

A close-up photograph of a young girl with dark hair, smiling. She has purple face paint around her eyes and on her cheeks, with black paint around her nose. She is wearing a pink jacket over a white shirt with a floral pattern. The background is slightly blurred, showing another person in a grey hoodie.

Auditors Report

Independent auditors report

Our opinion

In our opinion, Penny Appeal's financial statements (the financial statements"):

- + give a true and fair view of the state of the charitable company's affairs as at 30 April 2018 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- + have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- + have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 30 April 2018; the statement of financial activities and the statement of cash flows for the year then ended; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs

(UK) require us to report to you when:

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charitable company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities. Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Strategic Report and Trustees' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Review. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- + we have not received all the information and explanations we require for our audit; or
- + adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- + certain disclosures of trustees' remuneration specified by law are not made; or
- + the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Rebecca Gissing (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory
Auditors
Manchester
30th January 2019



Financial Statements



Financial Statements

Statement of Financial Activities

for the Year Ended 30 April 2018

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £
Income and Endowments from:				
Donations and legacies	3	5,832,782	18,692,293	24,525,075
Investment income	5	29,888	-	29,888
Total Income		5,862,670	18,692,293	24,554,963
Expenditure on:				
Raising funds	6	(321,452)	(5,625,139)	(5,946,591)
Charitable activities	7	(1,809,957)	(16,740,341)	(18,550,298)
Total Expenditure		(2,131,409)	(22,365,480)	(24,496,889)
Net income/(expenditure)	10	3,731,261	(3,673,187)	58,074
Transfers between funds		(3,275,349)	3,275,349	-
Net movement in funds		455,912	(397,838)	58,074
Reconciliation of funds				
Total funds brought forward		828,410	3,476,382	4,304,792
Total funds carried forward	21	1,284,322	3,078,544	4,362,866

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £
Income and Endowments from:				
Donations and legacies	3	4,520,752	14,085,464	18,606,216
Investment income	5	23,412	-	23,412
Total Income		4,544,164	14,085,464	18,629,628
Expenditure on:				
Raising funds	6	(695,656)	(4,214,317)	(4,909,973)
Charitable activities	7	(910,649)	(11,655,253)	(12,565,902)
Total Expenditure		(1,606,305)	(15,869,570)	(17,475,875)
Net income/(expenditure)		2,937,859	(1,784,106)	1,153,753
Transfers between funds		(2,647,115)	2,647,115	-
Net movement in funds		290,744	863,009	1,153,753
Reconciliation of funds				
Total funds brought forward		537,666	2,613,373	3,151,039
Total funds carried forward	21	828,410	3,476,382	4,304,792

Balance Sheet

for the Year Ended 30 April 2018

	Note	Total 2018 £	Total 2017 £
Fixed assets:			
Intangible assets	15	-	16,066
Tangible assts	16	1,779,611	1,597,151
		1,779,611	1,613,217
Current assets:			
Debtors	17	970,920	799,768
Cash at bank and in hand		2,664,656	2,909,695
		3,635,576	3,709,463
Creditors: Amounts falling due within one year	18	(1,052,321)	(1,017,888)
Net current assets		2,583,255	2,691,575
Net assets		4,362,866	4,304,792
Funds of the charity:			
Restricted funds		3,078,544	3,476,382
Unrestricted income funds:			
Unrestricted funds		1,284,322	828,410
Total funds	21	4,362,866	4,304,792

The financial statements on pages 42 to 60 were approved by the trustees, and authorised for issue on 29th January 2019 and signed on their behalf by:



Adeem Younis
Trustee

Financial Statements

Statement of Cash Flows

for the Year Ended 30 April 2018

	Note	Total 2018 £	Total 2017 £
Reconciliation of net outflow to net cash flow from operating activities:			
Net income and resources		58,074	1,153,753
Adjustment to cash flow from non-cash items:			
Depreciation	10	86,088	71,234
Amortisation	10	16,066	29,903
Investment income	5	(29,888)	(23,412)
		130,340	1,231,478
Working capital adjustments:			
Decrease/(increase) in debtors	17	(171,154)	3,213
Increase/(decrease) in creditors	18	34,433	208,189
Net cash flows from operating activities		(6,381)	1,442,880
Cash flows from investing activities:			
Purchase of tangible fixed assets	16	(268,546)	(397,448)
Net cash flow from investing activities		(268,546)	(397,448)
Cash flows from financing activities:			
Interest Receivable and similar income	5	29,888	23,412
Loan paid back		-	(250,00)
Net cash flows from financing activities		29,888	(226,588)
Net increase/(decrease) in cash		(245,039)	818,844
Cash at bank and in hand as at 1st May		2,909,695	2,090,851
Cash at bank and in hand at 30th April		2,664,656	2,909,695

	01-May-17 £	Cash flow £	30-Apr-18 £
Reconciliations in net funds			
Cash at bank and in hand	2,909,695	(245,039)	2,664,656
	-		
Net Debt	2,909,695	(245,039)	2,664,656



Notes to the Financial Statements

for the Year Ended 30 April 2018

1 Charity status

The charity is limited by guarantee, incorporated in , and consequently does not have share capital. Each of the trustees 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: Cross Street Chambers, Cross Street, Wakefield, West Yorkshire, United Kingdom, WF1 3BW.

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 years 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 2015) – (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 nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

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 and legacies

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 in the reporting period.

Income and endowments

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 trustees'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.

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.

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:

Asset class	Amortisation method and rate
Website development	Over a period of 3 years

Depreciation and amortisation

The building purchased during the year is not 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:

Asset class	Depreciation method and rate
Fixtures and fittings Computer equipment	15% reducing balance. Over 3 years.

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

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the charity. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

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.

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.

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.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date.

Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Fund structure

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

Pensions and other post retirement obligations

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

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.

3. Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2018 £	Total 2017 £
Donation and Legacies:				
Donation to major appeals	2,878,757	18,692,293	21,571,050	16,201,599
Gift aid reclaimed	2,954,025	-	2,954,025	2,404,617
Total Income	5,832,782	18,692,293	24,525,075	18,606,216

4. Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2018 £	Total 2017 £
General	5,832,782	-	5,832,782	4,520,752
Feeding	-	3,070,145	3,070,145	2,594,038
Emergency	-	3,383,284	3,383,284	1,741,445
Orphans	-	7,107,837	7,107,837	6,123,919
Water	-	3,311,586	3,311,586	2,270,389
Medical	-	114,702	114,702	96,953
Community Establishment	-	1,704,739	1,704,739	1,258,720
Total	5,832,782	18,692,293	24,525,075	18,606,216

5. Investment income

	Unrestricted funds General £	Total 2018 £	Total 2017 £
Interest receivable and similar income:			
Interest receivable on bank deposits	29,888	29,888	23,412

6. Expenditure on raising funds

	Direct £	Support £	Total 2018 £	Total 2017 £
Events	516,340	27,243	543,583	890,064
Publicity	805,931	42,523	848,454	345,812
Fund raising	4,340,512	214,042	4,554,554	3,674,097
Total	5,662,784	283,807	5,946,591	4,909,973

7. Expenditure on charitable activities

	Activity undertaken directly £	Grant funding of activity £	Activity support costs £	Total 2018 £	Total 2017 £
General	391,731	1,268,750	149,476	1,809,957	898,349
Feeding	1,358,154	1,847,874	187,180	3,393,208	2,201,008
Emergency	1,117,922	782,991	82,233	1,983,146	640,672
Orphans	2,290,743	3,460,559	318,414	6,069,716	3,956,853
Education	204,944	644,628	63,795	913,367	2,108,669
Water	1,175,381	1,233,411	126,708	2,535,500	971,212
Medical	17,895	56,285	5,731	79,911	27,168
Community Establishment	395,602	1,244,349	125,542	1,765,493	1,761,971
Total	6,952,378	10,538,847	1,059,079	18,550,298	12,565,902

In addition to the expenditure analysed above, there are also governance costs of £121,012 (2017: £69,141) 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 £	Total 2018 £	Total 2017 £
Fund Raising	103,050	46,157	19,659	114,941	283,807	238,275

Support costs allocated to charitable activities

	Finance costs £	Information Technology £	Administration costs £	Premises costs including depreciation £	Total 2018 £	Total 2017 £
General	17,982	5,744	68,781	56,969	149,476	75,564
Feeding	31,454	8,366	87,787	59,573	187,180	107,746
Emergency	14,555	3,545	38,891	25,243	82,234	36,645
Orphans	54,189	14,111	149,635	100,479	318,414	228,022
Education	10,341	2,919	29,753	20,782	63,795	-
Water	21,738	5,584	59,622	39,763	126,707	54,684
Medical	971	255	2,691	1,815	5,732	-
Community Establishment	20,967	5,634	58,824	40,116	125,541	97,754
Total	172,197	46,158	495,984	344,740	1,059,079	600,415

Governance costs

	Unrestricted funds General £	Restricted funds £	Total 2018 £	Total 2017 £
Audit fees:				
Audit of the financial statments	6,443	44,409	50,852	31,849
Legal fees	8,889	61,271	70,160	37,292
Total	15,332	105,680	121,012	69,141

9. Grant-making

Below are details of material grants made to institutions

	Total 2018 £	Total 2017 £
Name of Institution:		
Penny Appeal Gambia	2,600,304	1,667,951
ILM	1,715,800	1,357,080
Penny Appeal Pakistan	1,639,590	1,302,579
Penny Appeal USA	571,106	392,403
Penny Appeal Australia	482,794	200,000
Penny Appeal South Africa	366,521	-
IBC	352,895	171,671
Sawaed Association for Relief	348,980	354,578
Almustafa Lilumoma Wariaayat Altifi	237,834	248,100
AGRAJATTRA	192,754	-
The Leadership College	187,885	-
The Awareness & Consolation association	113,248	37,847
Concern Worldwide UK	118,685	-
The Ark	100,00	100,00
Saahtain Food LLC	96,000	-
Welfare Association	94,170	70,635
Read Foundation	94,006	49,963
Global One	87,179	46,267
Muslim Charity	85,705	28,331
Penny Appeal Nepal	70,420	47,250
Novo Jibon	59,760	23,550
Al-Raya Food Stuff Trading Co.	51,374	-
Organization for Help Out	52,054	43,943
Zam Zam Bangladesh	50,862	82,068
Ulfa Aid Global Humanitarian Help	36,250	138,750
Rawdat Wamadares Al Salam	22,185	172,231
AMAR Foundation	10,000	56,990
Jerusalem Central Committee of Zakah	-	91,594
Annasru Deen & Development – PA Senegal	-	87,500
Taawon Welfare Association	-	50,949
Less than £50k to each of 69 organisations	680,487	-
Less than £50k to each of 28 organisations	-	462,148
Grand Total	10,538,847	7,284,378

10. Net incoming/outgoing resources

Net incoming resources for the year include:

	Total 2018 £	Total 2017 £
Operating leases – other assets	54,628	46,585
Depreciation of fixed assets	86,088	71,234
Amortisation of goodwill	16,066	29,903

11. Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year. (2017: nil)

During the year, Key Management Personnel were paid a total £201,048 (2017: £179,006) for their services to the Charity.

12. Staff costs

The aggregate payroll costs were as follows:

	Total 2018 £	Total 2017 £
Staff costs during the year were:		
Wages and salaries	3,167,526	2,403,391
Social security costs	272,554	196,598
Pension costs	16,883	-
Total Income	3,456,963	2,599,989

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:

	Total 2018 No	Total 2017 No
Charitable activities	87	58
Fundraising and Marketing	45	48
Admin and Support	12	12
Total	144	118

No employee received emoluments of more than £60,000 during the year (2017: Nil).

13. Auditors' remuneration

	Total 2018 £	Total 2017 £
Audit of the financial statements	50,852	31,849

14. Taxation

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

15. Intangible fixed assets

	Research and development £	Total £
Cost:		
At 1st May 2017	166,131	166,131
At 30th April 2018	166,131	166,131
Amortisation		
At 1st May 2017	150,065	150,065
Charge for the year	16,066	16,066
At 30 April 2018	166,131	166,131
Net book value:		
At 30th April 2018	-	-
At 30th April 2017	16,066	16,066

Development costs

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated as a deficit to the charity.

16. Tangible assets

	Land and buildings	Furniture and equipment £	Motor vehicles £	Total £
Cost:				
At 1st May 2017	1,330,479	432,479	79,658	1,842,616
Additions	138,988	122,958	6,600	268,548
At 30th April 2018	1,469,467	555,437	86,258	2,111,164
Depreciation:				
At 1st May 2017	21,068	194,495	29,902	245,465
Charge for the year	14,695	54,141	17,252	86,088
At 30th April 2018	35,763	248,636	47,154	331,553
Net book value:				
At 30th April 2018	1,433,706	306,801	39,104	1,779,611
At 30th April 2017	1,309,411	237,984	49,756	1,597,151

Included within the net book value of land and buildings above is £1,342,539 (2017 – £1,262,575) in respect of freehold land and buildings and £91,166 (2017 – £46,837) in respect of leaseholds.

17. Debtors

	Total 2018 £	Total 2017 £
Due from group undertakings	104,631	84,192
Prepayments	78,655	171,337
Other debtors	787,634	544,239
Total	970,920	799,768

Amounts due from the group undertakings are interest free and repayable on demand.

18. Creditors: amounts falling due within one year

	Total 2018 £	Total 2017 £
Trade Creditors	158,940	535,165
Other taxation and social security	67,197	75,175
Other creditors	5,359	254,548
Accruals	820,825	153,000
Total	1,052,321	1,017,888

19. Obligations under leases and hire purchase contracts

Operating lease commitments

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

	Total 2018 £	Total 2017 £
Land and buildings:		
Within one year	54,629	46,585
Between one and five years	109,379	40,237
After five years	-	-
Total	164,008	86,822

20. Pension and other schemes

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £16,883 (2017 – £Nil).

21. Funds

	Balance at 1st May 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 30th April 2018 £
Unrestricted funds					
General					
General	828,410	5,862,670	(2,131,409)	(3,275,349)	1,284,322
Restricted funds					
Community	-	1,704,740	(1,955,854)	251,114	-
Education	-	-	(913,367)	913,367	-
Emergency	1,941,524	3,383,284	(3,345,655)	-	1,979,153
Feeding	-	3,070,144	(4,317,117)	1,246,973	-
Medical	210,048	114,702	(92,719)	-	232,031
Orphans	236,969	7,107,837	(8,208,701)	863,895	-
Water	1,087,841	3,311,586	(3,532,067)	-	867,360
Total restricted funds	3,476,382	18,692,293	(22,365,480)	3,275,349	3,078,544
Total funds	4,304,792	24,554,963	(24,496,889)	-	4,362,866

22. Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds £
Tangible fixed assets	1,779,611	-	1,779,611
Current assets	557,032	3,078,544	3,635,576
Current liabilities	(1,052,321)		(1,052,321)
Total net assets	1,284,322	3,078,544	4,362,866

23. Related party transactions

During the year the Charity made the following related party transactions:

Penny Appeal Trading Limited

Penny Appeal Trading Limited is the trading subsidiary of Penny Appeal. At year end the trading subsidiary owed £104,631 (2017: £84,192).

24. Subsidiary accounts

The Charity owns 100% of the shares of its trading subsidiary Penny Appeal Trading Company Limited (Company no 09522253) and Penny Appeal Ventures Limited (Company no 11051892).

Due to the size and level of transactions being immaterial, both subsidiaries have not been consolidated into Penny Appeals accounts.

25. Post balance sheet events

On 30th November 2018, Penny Appeal purchased the Wakefield college site for £1.45m. As part of this, the freehold Bezier building at Balne lane, Wakefield (included in note 16) was given as a guarantee.

pennyappeal

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CHARITY REGISTRATION NUMBER: 1128341
COMPANY REGISTRATION NUMBER: 06578382