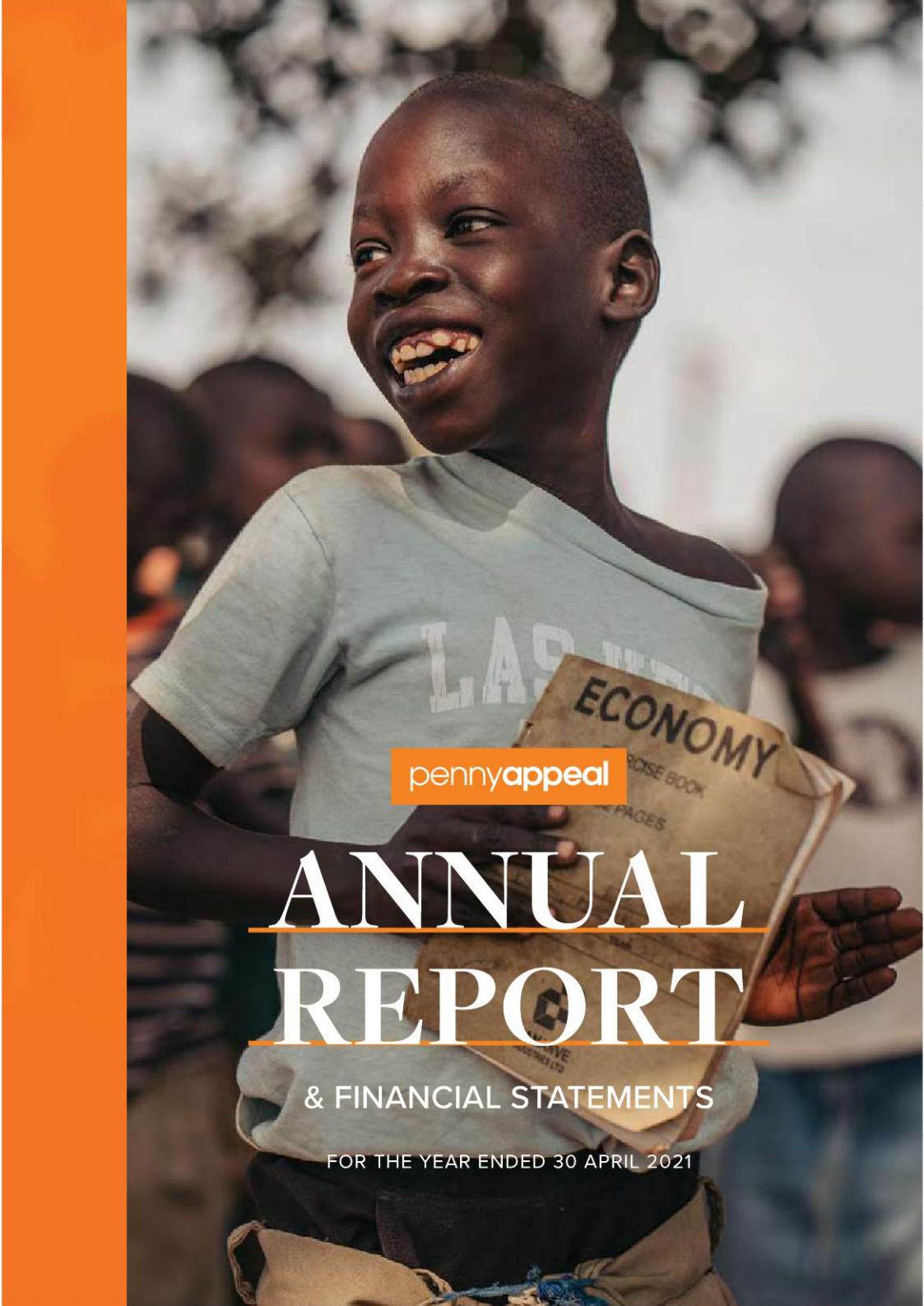


A young boy with a joyful expression is the central figure, holding a book titled 'ECONOMY'. He is wearing a light-colored t-shirt with 'LAS' visible. The background is a blurred outdoor setting with other people. A solid orange vertical bar is on the left side of the image.

pennyappeal

ANNUAL REPORT

& FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 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 rewarding for donors and ensuring that everyone can play their part in helping the poor and needy.





A MESSAGE FROM THE FOUNDER

For Penny Appeal, as for many others, 2021 has been a year of fresh starts and renewed optimism.

Alongside the vaccine rollout, the easing of lockdowns, and the first steps of a return to normal life, we also welcomed the appointment of an expanded Board of Trustees, the return of Harris Iqbal as our CEO, and the preparation of our new headquarters in Thornes Park, Wakefield.

I would like to take this opportunity to thank our amazing donors for the continued loyalty you have shown us over the past 12 years. Without your help, our work around the world would not exist - your support is at the heart of everything we do. From our humble beginnings in 2009, supporting small but vital programmes around the village of Hathia Dhamial in Pakistan, to our current position as one of the fastest growing Muslim charities in the world, the generous support of our donor base has allowed us to deliver life changing aid to millions of people across the world.

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 over 10 million Ramadan meals; to promote over 90,000 orphan sponsorships; to build over 30,000 water systems and wells; and in recent times, to support over 1.2 million people in 16 countries during the height of the Covid-19 pandemic.

These achievements belong to our incredible community of donors, as do the rewards from Allah (the Most High) and the satisfaction of changing lives in unmeasurable ways around the globe.

During the year I was delighted to publish my book "Small Change, Big Difference: The Penny Appeal Story", which details the formation and growth of the Charity, and tells the story of how we became who we are today. I founded Penny Appeal in 2009 in the memory of my late father Mohammed Younis who returned to his Lord before I was ten years old.

It is in his name that I have dedicated my own charitable work and it is in his name that I thank you for your support over the years.

A MESSAGE FROM THE FOUNDER

The book is written for the benefit of the Charity, and all net revenues will go towards Penny Appeal's charitable projects. I hope that you enjoy reading it as much as I enjoyed writing it.

We were also thrilled to bring back our legendary Penny Appeal live events after a long time away from the spotlight, beginning with the Super Muslim Comedy Tour and the pantomime 'Cinder'Aliyah'.

These events provide 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. There are many more fantastic tours coming to a city near you over the coming year – I look forward to seeing you there!

The year was also one of great reflection and improvement. We have learned lessons from the last twelve months, particularly from the review of the activities of some of our orphan homes in The Gambia. Like all major international charities, we can encounter difficult issues when intervening in the lives of those in remote and hard to reach areas in developing countries. I can assure you that we have absorbed the particular lessons from our Gambia experience and that our global safeguarding of children and adults is now stronger than ever. Further details of the steps we have taken are included in the Trustees' Report.

We have plenty of work still to do. Now we have reached the point where we are able to make so much difference to so many lives, we must not slow down. There is so much more that needs to be done to help the vulnerable here at home in the UK and around the world. Together, Penny Appeal and our donors can make a bigger difference than ever. I look forward to our continued work together, and once again Thank You.



Adeem Younis
Founder & Trustee



CHAIR OF TRUSTEES' STATEMENT

This has been a period of profound introspection and restructuring for Penny Appeal. I had the honour to join the Board of Trustees in November 2020 and as promised in the previous year's statement, Penny Appeal continued the comprehensive review of our governance structures and operational processes, to ensure that these are robust and able to support the next phase of our development and growth.

As part of this review, we made several governance-related enhancements and improvements to the Charity. We continued our search for further trustees who could bring additional skills, experience, and perspective to the Charity. We were delighted to welcome Umer Sheraz to the Board and, after the end of the financial year, we also appointed Saeeda Amin, Nasir Akram, Gill Laidler and Irfan Rajput.

Umer Sheraz is a senior business change and transformation executive with significant experience across a number of industries and sectors. Through his extensive professional experience he brings with him a proven record of delivering improvements in the highly regulated financial services sector.

Saeeda Amin has served as the financial lead for several multi-million pound, multi-national companies. She brings to Penny Appeal an incredible array of experiences, insights, and industry know-how.

Nasir Akram is an audit and digital transformation specialist bringing over 20 years of industry experience. He has previously been a board member of the International Institute for Business Analysis (IIBA).

Gill Laidler is a stalwart of the local business community in our hometown of Wakefield. Through her position as editor of Topic Magazine she has become a leading regional figure in the areas of marketing, communications, and journalism.

Irfan Rajput is a former director for the United Nations World Food Programme with over 30 years of senior experience in the international development sector. He has previously worked alongside Penny Appeal implementing international development projects in his capacity as an industry specialist.



CHAIR OF TRUSTEES' STATEMENT

I am excited to have such a depth and breadth of experience on the Board as we continue to further develop and enhance all aspects of the Charity in readiness for the next phase of our development. I would like to express thanks to my predecessor as Chair, Rizwan Khaliq, and Ian Wainwright who both left the Board of Trustees.

In addition to enlarging the Board, we have also undertaken a review of our strategy and five-year plan. Operational structures have been reviewed and revised and the Board has increased the number of specialist sub-committee structures to ensure that sufficient focus and oversight is in place. These have been comprehensive reforms, and we look forward to continuing with work to further strengthen the Charity in all areas. Further details are included in the Trustees' Report.

This year was also challenging from a humanitarian perspective. In August 2020, we were shocked by devastating reports of alleged safeguarding issues with a partner organisation in The Gambia. An independent investigation was promptly commissioned and has been completed by Keeping Children Safe, a specialist organisation.

The Board also commissioned a complete review of the Charity's safeguarding-related policies and procedures which was led by the leading children's Charity, Barnardo's.



These reviews have been concluded and we have worked with focus and urgency to implement the improvements identified. We assure our supporters, employees, partners, and all those we serve of our total commitment to the highest standards of care for the most vulnerable.

In addition to implementing the improvements identified in the reviews, we have made significant further investment into the resources allocated towards safeguarding globally, including the recruitment of an experienced Director of Safeguarding to lead on this work in this area.

In November 2020, we were notified by the Charity Commission that it had opened a Regulatory Compliance Case to review aspects of our governance. We welcomed this review and responded fully and comprehensively to the Charity Commission's requests in this regard. As a Charity we remain highly committed to ensuring that all aspects of our governance, operational structures and processes not only meet all regulatory requirements, but industry best practice. The improvements highlighted above, and within the Trustees' Report, are part of working towards this objective.

This financial year was also dominated by the Covid-19 pandemic. Whilst we recognise that this pandemic has wreaked havoc and misery around the world, our Covid-19 initiatives have played an important role in providing much needed support to families and communities both here in the UK as well as abroad.

Finally, I would like to conclude by expressing my ongoing gratitude to all our donors, supporters and partners who have enabled us to provide help and assistance to so many vulnerable people around the world. I would also like to thank all our staff and volunteers whose unwavering commitment and efforts make Penny Appeal's small change BIG difference approach to charity, possible.

Mohammed Jahangir

Mohammad Jahangir
Chair of Board of Trustees



CEO'S REPORT

I was originally appointed as CEO in December 2019 and, together with the Board of Trustees and executive management team, set about implementing a change management programme to deliver a wide-ranging improvement plan.

We have made significant progress, and this work has fed into the development of Penny Appeal's renewed strategy, which we look forward to delivering in 2022. It has been a challenging period but a hugely rewarding experience and I look forward to leading the Charity through the next chapter of our journey, with a renewed clarity and focus.

My previous role as Penny Appeal's Director of Programmes meant that I was acutely aware that we had to maintain our focus and efforts on programmes delivery. To this end, and to prevent any repeat of the challenges that were identified in relation to The Gambian facility, I have ensured that all resulting learnings have been fully implemented. This included working closely with Barnardo's to make sure that the internal reviews were thorough, complete and, most importantly, that we acted on their findings with a dedicated focus on adopting best practices around safeguarding throughout our operations. I am confident that we have made the right progress, but we will never be complacent and we will continue to strive to improve in all areas of our work.

The financial year coincided with the exceptional impact of the global pandemic. We deployed humanitarian response and preparedness efforts to combat and forestall the pandemic in many countries including Afghanistan, Djibouti, Indonesia, Lebanon, Mozambique, Bangladesh, Pakistan, Palestine, Somalia, Sudan, Syria, Uganda, and Yemen, as well as here in the UK. Through detection and treatment centres, hygiene awareness sessions, lifesaving supplies of personal protective equipment (PPE), installation of handwashing facilities, provision of testing kits, and the provision of medical supplies and oxygen tanks, as well as mass distribution of food packs and hygiene kits, we fought to ensure that communities in the developing world were adequately equipped and prepared for both the public health threat and the economic effects of the pandemic.

Here in the UK, we were proud to support NHS frontline staff fight the pandemic by providing them with essential food items. Penny Appeal also launched Listening Line, a helpline to assist those struggling to cope with the social isolation imposed by the nationwide lockdown.

In what has been a very testing year for humanitarian efforts, other disasters such as the explosion in Beirut, floods in East Africa and Pakistan, an earthquake in Indonesia and cyclones in Bangladesh and Somalia stretched the capacities of many civil society organisations already burdened by the impact of Covid-19.



CEO'S REPORT

Penny Appeal was on the frontlines responding to these catastrophes, with the aftermath of the Beirut explosion being the first official deployment of our new Disaster Response Team (DRT).

Our humanitarian capacity has been significantly strengthened during this turbulent year, and we now consider this side of our work to be as robust as our development projects. We look forward to further developing our capacity in humanitarian work, so that we are always on call to provide swift, effective relief when catastrophes occur.

Despite the effects of the pandemic and other natural disasters, we continued to develop our wider programmes. Among these is our flagship Feed Our World campaign during Ramadan, in which we managed to deliver over 1.5 million meals despite the unique challenges that the project faced this year. The distributions were also adapted to include the provision of hygiene supplies, tying in our food and nutrition programming with our Coronavirus Emergency relief efforts to enhance impact and overall effectiveness.

We also continued to expand our vital work here in the UK. Our particular focus was on the social and economic hardships encountered by many because of the isolation brought on by the necessary pandemic restrictions. Throughout the year we partnered with numerous local community organisations across the country to deliver relief and support through mosques, churches, community centres and local businesses, in what can be considered a heroic moment for civil society in this country, as community members from all faiths and backgrounds worked tirelessly to support the most vulnerable in the face of adversity.

The impact of climate change continues to be a growing concern, and its importance in the public mind has risen significantly in recent years, as can be seen in numerous protests and the media focus on the COP26 summit in Glasgow. The catastrophic effects of the changing climate can be seen in the numerous natural disasters that are affecting the developing world. The need for sustainable, climate-resilient solutions is at the forefront of Penny Appeal's development approach, as well as our humanitarian strategy. We are proud to be among the first on the ground to deliver aid to communities affected by numerous natural disasters.

We also recognise the need for environmentally sustainable solutions that benefit recipients and the environment in the long-term. This recognition has led us to launch ambitious sustainable development initiatives, from solar panel water wells to climate smart villages and capacity building for rural farmers on climate-resilient agriculture.



In some instances, the disaster relief and sustainable development elements have merged - for example, our humanitarian response for Mozambique communities impacted by the 2019 cyclone, which developed into a long-term recovery-based sustainable agriculture project.

From a financial perspective, in the financial year Penny Appeal raised total income of £28,683,676 (2020: £31,500,017), a reduction of £2,816,341 compared to the prior year. The prior year total included in-kind donations of £2,344,544 which were not repeated in the current year. The in-kind donations had no net impact on the prior year surplus and excluding these, income for the year has remained at a stable level on a like-for-like basis. This is testament to the resilience of the Charity during what have been extraordinary times during the pandemic and the associated restrictions on certain activities.

The Charity generated an in-year surplus of £5,398,452 (2020: £593,123). The increased surplus was driven by a number of factors, mainly relating to the impact of the pandemic. Restrictions resulted in the launch of some new charitable programme projects being delayed and expenditure on charitable activities of £19,993,933 (2020: £25,130,491) were consequently reduced. These funds will be disbursed in the following financial periods, in line with intended use once delayed projects can be commenced. Costs of raising funds of £3,291,290 (2020: £5,199,795) were significantly lower as a result of fewer events and represent a real cost saving.

It has been a demanding period in many ways, but the overall financial performance above underlines the robustness of the Charity to withstand these challenges. We are aware though, that the ongoing impact of the pandemic will lead to pressure on our income over the short-term as the consequences of ongoing uncertainty become more apparent, and as an organisation we have reviewed our plans to deal with this.

We have also invested significantly in strengthening the governance and control structure of the Charity and this will continue into the following financial periods as we seek to ensure that all aspects of our structure, governance and controls are appropriate for the next stages of our development. The year gave us an opportunity for real introspection, providing fresh clarity and a renewed vision and sense of purpose. I am confident that we will build on this and go from strength to strength in the coming years, turning small change into an even bigger difference.

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 five-year strategy, with the overarching vision of ensuring a caring world that empowers communities, provides sustainable solutions out of poverty and that transforms the lives of individuals. This 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.

Following the consultation and review work, we have refined our strategic objectives to ensure that our work continues to generate the maximum benefit and positive impact.



— 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 work has culminated in detailed operational plans to be fully launched in 2022. With this in mind, the Trustees are of the opinion that it is 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, the next set of financial statements will be prepared for the shorter period through to 31 December 2021, 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. As highlighted in both the Chair of Trustees' and CEO's Reports, this is an area where detailed work has progressed and is ongoing. As part of our strategic approach, there will be continuous focus on improvements to our processes to ensure effectiveness of delivery, risk management and cost efficiencies. More details on our areas of focus and campaigns are shown in the following sections.

OUR CAMPAIGNS



COVID-19 RESPONSE

The first phase of our Covid-19 response from March through to April 2020 saw our teams and partners in Syria, Gaza, Mozambique, Bangladesh, Pakistan, South Africa and Uganda deliver hygiene kits, food parcels, and Personal Protection Equipment (PPE). Our teams also set up detection and treatment centres and raised awareness on measures to prevent the spread of Covid-19.

As infection rates continue to swell, Penny Appeal are now moving into the second phase of our international Covid-19 Response to continue ongoing efforts whilst also expanding into refugee camps in Jordan, and Rohingya camps in Bangladesh.

— South Africa

Almost 3,000 cases of Covid-19 were confirmed in South Africa from 17 April 2020. Amongst numerous highly vulnerable groups, are 200,000 homeless people and an estimated 3 million others living in informal settlements with limited access to basic necessities such as water, electricity, and sanitation. With the country on lockdown, many homeless individuals have been placed in different facilities and some have been provided with shelter in tents around the city. These shelters could increase the spread of the virus if the homeless are not provided with hygiene packs and educated on the virus and preventative measures.

Penny Appeal South Africa has been accredited by the Department of Cooperative Governance and Traditional Affairs as a social partner for humanitarian interventions, allowing our teams to work during the lockdown period and provide relief to communities. Our own domestic efforts have overseen the distribution of food parcels, PPE, hygiene kits and hot meals to over 6,000 people.

— Jordan

Hosting the second largest number of refugees per capita in the world, the spread of Covid-19 in Jordan is a matter for concern, with the number of reported cases as of 17 April 2020 at 407. As part of a pilot programme now in its second phase, Penny Appeal will work alongside the Collateral Repair Project to distribute a cash voucher system to 45 refugee and vulnerable families, an alternative to distributions in crowded gatherings which pose a Covid-19 spreading risk. The distribution of cash vouchers is also a safe and efficient way to ensure goods are available to those struggling to purchase essentials during limited opening hours throughout a curfew period, while also supporting the local economy.

— Pakistan

Penny Appeal Pakistan has been operating in Mardan, Khyber Pakhtunkhwa (KPK) to support marginalised families who have been the most acutely impacted by the lockdown.

As our efforts intensify, Penny Appeal will embark on a collaboration with Health, Education and Literacy Programme (HELP), and Pakistani film actress Mehwish Hayat in the Karachi region of Sindh.

Due to the unavailability of PPE, many doctors are reluctant to go forward to treat Covid-19 patients, with many going on strike due to the risks. This project will focus on the provision of PPE to medical staff at two hospitals in Karachi.



COVID-19 RESPONSE

— Syria

In the first weeks of the pandemic, our teams were able to support 25 hospitals in the country, where we delivered:

+ 100,000 PPE units.

+ 1,100 testing kits.

+ 1,450 hygiene kits to camps of internally displaced people (IDPs) in Al Fajr and Tal Jabeen camps, as well as hygiene promotion to those affected by the recent conflict in Idlib.

The second phase of our Covid-19 response will see Penny Appeal continue the distributions of testing kits, PPE, food, and hygiene kits.

— Bangladesh

With millions living in dilapidated, densely populated city slums, the spread of infection in Bangladesh is a huge concern, with 1,838 positive cases already reported as of 17 April 2020.

Through our partner Sajida Foundation, we have already worked across Dhaka and Sylhet to provide PPE to medical professionals, handwashing devices, liquid soap, thermometers, dry food and baby food to vulnerable groups, and supplied awareness materials and protective gear to our volunteers.

Planning ahead, we intend to install 60 low-cost handwashing stations and to engage with women's business centres to produce 12,000 reusable masks that we will distribute.

- Rohingya Camps

Cox's Bazaar is home to more than a million Rohingya refugees. It is currently under lockdown, causing aid agencies to fear that an outbreak in the densely populated camps would not only make social distancing impossible, but overwhelm medical facilities, placing hundreds of thousands of vulnerable refugees at severe risk. Penny Appeal will continue working with United Purpose through the SARA project, to provide community-led infectious disease prevention and health promotion with a focus on Covid-19.

- Gaza

The healthcare infrastructure in Gaza has long suffered due to years of occupation, blockade and conflict. For these reasons, Gaza has a critical shortage of PPE, medication and infection supplies.

Our response with our local partner Taawon has seen us provide hygiene items and preventative support to some 2,000 people in Gaza City. For the second phase of the response, we intend to coordinate efforts with Medical Aid for Palestinians (MAP) who have established quarantine centres in all governorates of Gaza, in addition to a field hospital for dealing with infected cases directly. There we will provide PPE, antiseptics and disinfectants, and other hygiene essentials for frontline staff.

— Mozambique

Penny Appeal will be responding on the ground in Mozambique, focusing on communities who were already greatly affected by Cyclone Idai, by supporting isolation centres, providing surgical equipment, hospital supplies, and PPE.

Planning ahead, we intend to install 60 low-cost handwashing stations and to engage with women's business centres to produce 12,000 reusable masks that we will distribute.

— Uganda

Penny Appeal will be working with our partner ACRE, who have previous experience responding to the Ebola outbreak in DRC in the northern part of the country close to the border where the risk of infection is higher.

— United Kingdom

Further details of our response at home in the UK are shown on page 74.



Al-Zuhayr, Wladimir, 2007. Al-Wajiz al-Fiqh al-Islami, vol. 2 (Damascus, 2007), p.347.



NEW CAMPAIGNS

Housing the Homeless

Charities across the United Kingdom have been warned of the life-threatening dangers rough sleepers are facing during the Covid-19 pandemic.

With 320,000 people in the UK considered to be homeless, an estimated 40% of these individuals will catch Covid-19.

While many rough sleepers have been accommodated thanks to the government's emergency grants, others remain on the streets and are seeing the services they rely on drastically stripped back as staff are forced to self-isolate and volunteers are forced to stay home.

Penny Appeal are partnering with My Space to secure donations and subsequently enough accommodation for as many of the UK's homeless population as possible.

The Big Hug

This year saw the launch of a new project, The Big Hug, an interfaith and all-inclusive gathering aimed at bringing people together from different communities to break down barriers and encourage community cohesion.

Whilst The Big Hug is aimed at all communities, it particularly seeks to reach out to vulnerable, socially isolated communities such as homeless people, refugees and asylum seekers, elderly people, and families living under the poverty line.

The aim of the Big Hug is to provide a sanctuary, a non-judgemental, positive, and enriching safe space for people to speak and to be heard by members of our team regarding their welfare concerns.

The Big Hug aims to facilitate the inclusion of communities often made invisible because of their vulnerable status, by signposting vital support services whether related to financial, health or employment, to make information more accessible.

FEED OUR WORLD

When her husband died of cancer 12 years ago, 61-year-old Nasreen Sultan from Uttar Pradesh, India was left destitute after devoting their life savings on his treatment.

With her financial security crippled, during the holy month of Ramadan she was left incapable of affording food. Thanks to Penny Appeal's Feed Our World programme, Nasreen is one recipient of 1,285,680 who received non-perishable food packs and hot meals during one of the holiest months in the Islamic calendar last year.

Since its inception in 2013, Feed Our World has provided vital food aid in the form of nutrient-dense, culturally appropriate food parcels and meals to millions living in over thirty states across the African continent, Asia and the Middle East, that have been ravaged by famine, internal conflict, and natural disasters.

In a month where communal gatherings are vital, these food supplies have enabled families to come together, break their fast and mark Ramadan without having to worry about food expenditure that they simply cannot afford.

In addition to the provision of immediate, vital short-term support, Penny Appeal has also sought to create long-term solutions by bringing sustainable food solutions to people impacted through severe poverty. This includes teaching communities climate resilient farming techniques, providing seeds for growing crops in abundance, as well as training women in agriculture to plant and harvest a range of fruit and vegetable crops year round. These skills enable families to sell their produce to local vendors, empowering communities to create a livelihood for themselves, which is imperative to combatting food poverty and child malnutrition.

For each country, the Feed Our World campaign is anchored in the communities we seek to support through various Village Development Committees which represent and identify those who are the most marginalised and vulnerable. The food packs we provide are purchased from local sources where possible to sustain and rejuvenate the local economy.





THIRST RELIEF

Clean water is a basic and essential necessity and yet, over 1 billion people around the world have no access to safe drinking water.

Since Penny Appeal's inception ten years ago, we have installed over 20,000 water systems and wells, providing safe, unpolluted drinking water to some of the most destitute communities all over the world from Pakistan, Bangladesh, India, Nepal, Sri Lanka, Somalia, Kashmir, and Uganda. Over the past year, we are proud to report that we have built a further 8,227 wells, giving more families access to clean water.

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 illuminate the halls of local schools and mosques.

By providing sustainable water solutions we are not just simply providing a source of water; rather this work is a gateway to breaking the cycle of poverty, eliminating the need for people to walk miles just to find the nearest water source. Clean water is used for drinking, cooking, feeding animals, watering crops, washing, and even performing ritual ablution, the impact of just one water well is immeasurable.

By delivering educational awareness sessions on topics such as handwashing and water storage, alongside our well building, we equip local communities with the knowledge to focus their efforts on their education and livelihoods. The necessity for education on hygiene and sanitation ensures that the water is collected and stored safely, and that communities' practice good hygiene to prevent illnesses and waterborne diseases.

To mark the blessed month of Muharram, the first month in the Islamic calendar and the second holiest month in Islam after Ramadan, Penny Appeal have embarked on a renewed mission to raise funds for projects that have transformed and continue to impact countless lives by providing clean drinking water to vulnerable communities.

THIRST RELIEF

In Satkhira, a coastal area in South-West Bangladesh, water poverty is widespread during the dry season.

The high levels of arsenic and saline present in the groundwater make it impossible to build shallow wells at ground-level as they are in danger of contamination.

We helped create Rainwater Harvesting Systems, an innovative sustainable solution which allows users to filter and harvest rainwater during the monsoon season, so that safe drinking water is available to them during the dry seasons.

This Muharram, we are providing water tankers and water fountains to schools, orphanages, hospitals, mosques and community locations, safeguarding the most basic of human rights for countless Palestinians in Gaza.

Many Palestinians in Gaza have never seen the Mediterranean Sea because of the asphyxiating impact of the Israeli blockade which prevents people from travelling there.

Yet the sea many have dreamed of is polluted with millions of litres of sewage every day. Drinking water too is scarce, as Gaza staggers under the pressure of a spiralling water and sanitation crisis. The EU has warned that 95% of water there is unfit for human use.

The UN have predicted that by the end of 2020, because of the crippling impact of the blockade which is preventing the entry of materials that will aid the development of water and sanitation infrastructure, the Gaza Strip may become uninhabitable.

The effects of this scarcity of drinking water can already be seen, as many families are forced to consume dangerous, contaminated water, leading to a rise in kidney problems in the region.





ORPHAN KIND

Twelve-year-old Samia's entire world was devastated after her mother was brutally killed in front of her over a land inheritance dispute in Jehlum, Pakistan.

She escaped with her life, evading her mother's attackers who tried to kill her. Since her father died six months before, Samia and her other siblings were faced with the terrifying new reality of being orphaned. Unable to support his siblings, Samia's 16-year-old brother enrolled her into a Penny Appeal orphanage, Mera Apna Ghar.

Shocked and consumed by grief, Samia became extremely withdrawn. However, through a mixture of support from her foster mother and involvement in activities at the orphanage and her school, her old self began to re-emerge. With the assistance of Penny Appeal, Samia now has the chance to create a new story for herself and fulfil her dreams of becoming a teacher.

Samia is only one of roughly 132 million orphans in developing countries faced with an uncertain future. Whether they have lost one or both parents, we provide holistic support to children most in need in Bangladesh, Gambia, India, Kashmir, Lebanon, Pakistan, Palestine, Senegal, South Africa, Sudan.

We tailor our support to meet the needs of each child in a way that is culturally sensitive and designed to suit their specific circumstances. Our Orphan Kind programme delivers this lifesaving, transformative support.

From the start of the new year, we have had 11,407 new sponsorships, with donors choosing to sponsor from 1 to 12 months. Many of our orphan children live in miniature communities made up of furnished homes, with onsite access to a playground and recreational spaces.

At every point, safeguarding is of paramount importance when it comes to our orphan homes. With a loving foster mother heading the household, the children grow up together as siblings in a nurturing, compassionate environment.

The generous contribution from our donors has enabled us to provide all the necessities for building a stable and flourishing childhood including food, education, healthcare and perhaps most importantly, a sense of community and belonging.

FORGOTTEN CHILDREN

Our Forgotten Children programme seeks to safeguard the welfare of children left traumatised from fending for themselves on the merciless streets across Bangladesh, Pakistan, Lebanon, and Senegal.

With no familial protection in most cases, these children are exposed to frightening abuses and an array of preventable health conditions. They are particularly vulnerable to being trafficked and exploited, and it is at this dangerous juncture that our team's interventions are absolutely lifesaving.

With the aid of our specialist outreach workers trained to deal sensitively with issues around child trauma, our teams have and continue to support these children on their own terms, working towards understanding their complex and multifaceted needs.

With our rescue centres open and ready to provide a safe space, a radical alternative to the uncertainty and precariousness of street-life, our staff also work towards reuniting children and families. Where this outcome is possible, Penny Appeal continue to support these children with food, medicine and educational provisions to ensure that they stay off the streets.

Our specialist centres run supportive, holistic programmes, including formal and informal education, recreational activities, creative spaces, access to nutritional food and clean water, and psychosocial support.



FORGOTTEN CHILDREN

Bangladesh

One third of the total population in the city of Sylhet, Bangladesh, live in urban areas. Currently around 53 million, that number is expected to be more than double by 2050.

The lack of civic facilities, schools included, means that children living in these slums have little chance at receiving equitable opportunities for an education that would provide financial stability and secure their futures. According to UNICEF, 46% of school children in Bangladesh drop-out at the lower Secondary level, the highest proportion in all of South Asia.

This year saw renewed efforts in Bangladesh where Penny Appeal expanded our early childhood educational programmes from within 118 literacy centres that were set up across the Sylhet slums.

Further to last year, an additional 3,000 children have enrolled into the literacy centres. Unlike the private schools that have unjustly priced out these destitute children, our centres provide free access to education delivered by an experienced, qualified teacher within classrooms that have all the necessary amenities required for a conducive learning environment. Indoor games and recreational facilities in the form of various toys and puzzles were also provided.

The children have also attended health and personal hygiene awareness sessions covering topics like the benefits of eating nutritional food and oral hygiene to name but a few, all in the hope that they would share what they had learned with their families and the wider community. This way, approximately 15,000 parents, guardians and family members will also have indirectly benefited from these sessions.

Where the futures of these children were previously riddled with uncertainty, now with the aid of our educational centres and the vibrant, nourishing educational environments we have created, thousands of children will have a chance to transcend the poverty cycle their families have been trapped in for generations.



Pakistan

Identity is a fundamental human right. However, hundreds of street children living in Lahore have not been officially registered, leaving them with no official identification or passport documentation.

Consequently, they are unable to register for school admission, destroying their chances of a better life. In Lahore, our team has continued efforts across three communities to safeguard undocumented children living on the streets, simply by ensuring they are issued with birth certificates. So far, 33 children in the district have received their birth certificates. This means that instead of vanishing into the winding streets of Lahore, these children will have the autonomy to determine their own futures simply by attending school.

In addition to this, our teams have constructed sustainable shelters that can withstand harsh weather conditions out of locally sourced materials, for the purpose of holding school classes for children who have not been able to enrol in school. Our initial aim was to provide non-formal education to 150 children in the area. To our delight, 166 students enrolled, 107 of whom were female. The newly built schools also benefitted from brand new educational materials, stationary, watercoolers, first aid kits, as well as teaching kits and resources for teachers.

In addition, the children's carers were invited to receive specialist training around child protection issues. Perhaps most significantly, a medical camp was set up in the district, providing basic health facilities to the students and their families, where they also benefitted from lessons on how to lead a healthy life. Each student and their family members were given a free medical check-up, including access to treatment for a range of conditions such as allergies, fevers, joint pains, coughs and colds, this directly benefited 125 families in total.



FORGOTTEN CHILDREN

Senegal

Action pour le Respect des Droits des Enfants (ARDEN) or Action for the Respect and the Rights of Children, is a project that aims to improve the wellbeing, skills and life chances of 100 children aged between 8 and 15 known as talibés.

In Senegal, it is a long-standing cultural tradition for children to attend Koranic schools or daaras where they are taught about Islam. However, their religious education comes at a hefty cost.

Since Koranic masters who oversee their education are destitute themselves and unable to afford feeding so many of these children are forced to beg for food.

The project which began April 2018 in coordination with our partner, United Purpose (UP), implements numerous support programmes to support these children living in daaras across Dakar, by enabling them to obtain a proper education as well as supporting their emotional and personal development.

Last year, one of our most popular activities was undoubtedly the oversubscribed Circus training programme which we delivered alongside our local partner, Sencirk.

A hundred children participated in various activities including the trampoline, juggling, acrobatics, fixed bars, trapeze and how to construct human pyramids.

ADOPT A GRAN

When 61-year-old Adama's husband died suddenly leaving her alone to raise four children, unable to afford the rent because her husband was the breadwinner, she was evicted from her home.

For years, she endured back-breaking work labouring in laundries and then as a market trader, earning barely enough to afford the rent for the overcrowded home she shared with her son and his family.

Despite her frailness, she had no choice but to sleep on the floor. Thanks to the financial assistance Adama began receiving in 2015 as a recipient of the 'Adopt A Gran' programme, she has finally been able to afford a bed, food and medical care, years later she couldn't be happier for the assistance we have been able to provide.

On World Population Day in 2018, for the first time in history there were more people aged over 65 than there were children under five. As people live longer and are having fewer children, globally we are faced with increasing challenges to ensure older generations are not neglected.

Our 'Adopt A Gran' sponsorship programme in which donors sponsor vulnerable, elders is 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 these individuals can live in safety, dignity and comfort. The last year alone has seen 1,439 new Gran's adopted!



OPEN YOUR EYES

When 60-year-old Setu Begum from Bangladesh began experiencing issues with her eyesight, she was already unable to afford food. With exorbitant doctors' fees putting a much needed operation out of reach, she was resigned to the horrific certainty of going blind.

For others like Setu enduring severe poverty, preventable blindness left untreated has ruthlessly robbed many of their eyesight. There are an estimated 285 million visually impaired people worldwide, 90% of whom are living in the developing world.

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

This year, Penny Appeal gave 5,685 people access to free eye checks, treatments, corrective lenses, and referrals to hospital where cataract surgery was needed.



MOSQUE PROJECT

Across Pakistan, Senegal, Somalia, South Africa, Sudan, and Uganda, Penny Appeal were able to build a total of 18 mosques this last year.

Our teams created a tranquil, safe place for those who have never had a communal space in which to gather, pray and practice their faith.

These mosques are not merely spaces of worship. They are the very heart of each community, providing people a space to discuss community matters.

EMERGENCY RESPONSE & SHORT-TERM INTERVENTIONS



For the last year, Penny Appeal have been amongst the first on the ground responding to disasters in Syria, Gaza, Yemen, Bangladesh, Indian administered Kashmir and Indonesia, while also responding to the ongoing Uighur crisis in China.

Penny Appeal are dedicated to developing and providing longer-term, sustainable programmes that radically change lives.

However, when catastrophe hits, we must be ready to act and respond rapidly to emergencies around the world to save lives. This period also saw the advent of our own Disaster Response Team (DRT). By providing emergency aid and short-term interventions, our teams are on the frontlines delivering lifesaving humanitarian aid and wide-ranging emergency support to those in dire need.

When disasters around the world unfold, every second that passes is precious time where the lives of people hang in the balance.

At the darkest of times for communities torn asunder by violence and natural disasters, our job is to protect the wellbeing and dignity of those who have lost everything they hold dear, by helping them not only to maintain their basic needs, but fundamentally to assure them, that they are not alone.



UYGHURS

REFUGEES CRISIS

The inhumane treatment of up to 1.5 million Uighurs, a predominantly Muslim ethnic group who have been detained by Chinese authorities in a network of concentration camps in Xinjiang province, has sent ripples of shock around the world.

Reports of torture, rape, slavery, and Muslim children systematically separated from their parents detained without trial in these internment camps, have emerged through wide-spread news coverage. The Chinese government have dismissed the international outcry under the guise of combatting terrorism and extremism.

The last three years has seen around 67,000 Uighurs flee to Turkey, which hosts one of the largest Uighur populations outside China. Around 15,000 of these refugees are children attending different schools in the country. Though the Turkish state provides free education to Uighur children, their nutritional and hygiene needs are not included.

Furthermore, most Uighur people who are temporarily residing in refugee centres in Kayseri and other poor neighbourhoods in Istanbul depend on state assistance or relatives to support them as they aren't granted residence permission and work permits, and thus are unable to work.

This year, we partnered with International Blue Crescent (IBC) Turkey, to safeguard the nutritional needs for Uighur refugees and help provide winter clothing provision in the form of winter jackets, boots, underwear for children staying in the Zaytinburnu and Bayrampasa districts in Istanbul.

Our teams provided 1,250 Uighur refugees with food packages to last a family for one whole month. In addition to this, 300 children received winter clothing to protect them from the harsh cold of the coming winter. Later this year, our efforts will extend to vital support providing healthcare, psychosocial support and legal assistance to refugee families.



INDIA ADMINISTERED KASHMIR

The annexation of Indian administered Kashmir since August 2019 has taken a massive toll on residents who have been trapped in a state of military lockdown.

On the streets of Srinagar, the only signs of life are from armed soldiers dressed in camouflage where the curfew imposed by Indian authorities has strangled day-to-day routines of Kashmiri residents, particularly for children who have missed out on schooling, and daily labourers who are unable to earn their living. Mobile phone networks and internet access were also banned, bringing many businesses and communication with the outside world to a halt. Despite the technological blackout, reports of food insecurity and medicine shortages slipped through.

Penny Appeal organised an imminent response with our local partner, gearing our intervention towards the people of South Kashmir believed to be the most affected zone in the valley. We provided aid in the form of food packs, baby food, other basic essentials and commodities, reaching 1,050 beneficiaries through door-to-door distributions during the curfew period.

Our interventions have also seen vital emergency medical support transport nearly 250 critical individuals to hospital since the crisis began. Medical supplies including insulin, blood pressure medication and other items will be distributed to families who are dependent on them and have suffered from the sudden lack of access.



PAKISTAN ADMINISTERED KASHMIR

When a powerful 5.8 magnitude earthquake struck Eastern Pakistan and Pakistani-administered Kashmir, at least 21 people were killed and 400 injured.

The epicentre of the earthquake was close to the city of Mirpur in Pakistan-administered Kashmir, a region that previously suffered one of the deadliest earthquakes in South Asia on record back in 2005. The tremor razed homes, businesses and livelihoods to the ground, and the damage inflicted on canals in the area left entire villages submerged in water.

The rapid response from our teams on the ground meant emergency food packages were distributed to 263 families whose homes had been grievously damaged by the earthquake. Communal water tanks which our teams helped build, provided 555 households with clean drinking water.

In addition, Penny Appeal distributed 2 jerry cans for each household so that families could transport water if needed. After travelling to numerous villages in the affected area, Sangh Zildaran Lower, Sangh Zildaran Upper, Banni Lower, Bani Upper, Kalas and Abdopure in the district of Mirpur Azad Jammu and Kashmir, our teams successfully distributed winter kits and tents to 150 families.

SYRIA

Since the outbreak of civil war began 9 years ago, Penny Appeal has devoted its efforts to supporting hundreds of thousands of Syrian people. Over half of Syria's pre-war population have been forced to flee their homes for fear of their lives.

The violence has continued unabated in late 2019 and early 2020 in northwest Syria where it reached horrifying levels, causing the displacement of up to 900,000 since the beginning of December. Many of those who were forced to abandon their homes to escape indiscriminate violence moved to the north-western Idlib governorate, a small area already hosting hundreds of thousands of internally displaced people.

Penny Appeal has been one of the few dedicated charities that continues to feed families, caring for orphans, providing medical and health kits, hygiene essentials and temporary shelter, as well as long-term accommodation as part of our Syria Emergency Appeal. In order to inject even the smallest fraction of stability for these internally displaced people, we have been working in partnership with Syria Relief. We also launched an appeal in October 2019 in the wake of the attacks by Turkey.

Across Idlib and Aleppo, we have been distributing emergency meals, including rice and meat, for those fleeing the conflict. In March this year, our emergency relief teams ensured 1,450 families consisting of Internally Displaced Peoples (IDP) who fled the violence in Idlib, received food parcels and hygiene kits. A hundred IDP families received tents, and 24 IDP families identified as extremely vulnerable by our workers, received monetary assistance. In total, Penny Appeal were able to provide crucial support to 6,012 individuals.

The crippling impact on the maternal health of Syrian women compelled Penny Appeal to create a mobile women's health clinic. The mobile health clinic travelled to 13 targeted locations, where our teams were able to treat 5,085 patients from April to June last year, at least half of whom were considered IDPs. The main services we provided were pregnancy testing, antenatal and postpartum care, and treatment for anaemia and urinary tract infections, amongst other services.





INDIA: KERALA FLOODS

Since December 2018, dangerously high rainfall caused devastating floods to submerge parts of Kerala, the effects of which reverberated until August 2019.

We have continued our efforts in this region by re-housing 380 families impacted by the floods and landslides that left them homeless.

ROHINGYA CRISIS

Penny Appeal has continued its leading role responding to the Rohingya humanitarian crisis since 2017.

Hundreds of thousands of Rohingya refugees, amongst the most marginalised groups in the world, continue to live in squalid refugee camps in Cox's Bazar, Bangladesh after fleeing violence in Myanmar. Access to food, shelter, schools, jobs, clean water and other basic needs is almost non-existent as the status of their citizenship remains fraught in a political tug-of-war between Myanmar and Bangladesh.

Eleven-month-year-old Khalid Amin who was born in Kutupalong refugee camp, Cox's Bazar in September 2018 has never known life beyond the dilapidated refugee camp. His parents fled to the safety of Bangladesh from Myanmar to escape the conflict, only to find Khalid's health had descended into acute malnutrition as his parents struggled to feed all five of their children.

As part of Penny Appeal's Nutrition Interventions Project, which provides integrated nutrition and complementary food interventions for children under five, adolescent girls and pregnant and lactating women living in settlements in Cox's Bazar, a few weeks of regular feeds and check-ups has rescued Khalid's health back to that of a thriving, growing infant.

The following number of beneficiaries also benefitted from our Nutrition Interventions Project this past year:

- + 9,005 children under 5 years
- + 2,388 pregnant and lactating women
- + 1,425 adolescent girls

In addition, our Survival Assistance Project which focusses on creating safe spaces and livelihood activities achieved the following:

- + 11,038 beneficiaries received health services including medicine, psychosocial support on Covid-19, informal learning and counselling.
- + 1,379 families received access to portable water facilities from two functioning water network systems.
- + 5 child-friendly spaces continue to run reaching 2,973 children, women, adolescent boys and girls.





CYCLONE IDAI: SOUTHERN AFRICA

In March 2019, Southern Africa was battered by Cyclone Idai, one of the worst tropical cyclones on record.

Its vicious winds and excessive rainfall triggered landslides, and the ensuing cyclone left a devastating trail of havoc and unspeakable structural damage across Mozambique, Malawi, and Zimbabwe.

Less than six weeks later, Cyclone Kenneth hit, causing flash floods and decimating crops and livelihoods in a region already struggling with food insecurity. Around 1,000 people were killed overall, more than 100,000 homes were destroyed, with a total of 3 million people being impacted. Our immediate concern was to provide food, safe drinking water, sanitation, as well as hygiene and support services.

As a result, our newly formed Disaster Response Team (DRT) connected with a local partner in Mozambique, LARA, to help distribute supplies to vulnerable families in the devastated areas. We quickly realised women, children, the elderly and the disabled weren't getting the specialist aid they needed. Our teams implemented targeted distributions to ensure that no one in need was left behind. Working alongside our partners, Penny Appeal were able to distribute:

- + More than 3,400 food kits to families - Each food kit contained items such as flour, sugar, cooking oil, pasta, beans and rice.
- + Over 3,400 hygiene kits - These kits included items such as washing powder, bars of soap, toothpaste, feminine sanitary products and body wash.
- + 500 school packs were also distributed to a local primary school consisting of notepads, pens and pencils.

The city of Beira in Sofala Province, Mozambique, was 90% destroyed by the cyclone. Accordingly, our next step following the delivery of emergency relief is to facilitate the rebuilding of community infrastructure through a recovery project in partnership with United Purpose.

YEMEN

The largest humanitarian crisis in the world is unfolding in Yemen.

According to the United Nations more than 24 million people, around 80% of the country's population, are in need of humanitarian assistance.

Penny Appeal's work on the ground this year continued to provide food and health assistance to displaced families.

Our teams were able to provide vital medicines to health centres in the region that were dealing with cholera outbreaks.



INDONESIA

The impact of a deadly 7.4 magnitude earthquake which struck Central Sulawesi, Indonesia, triggered a devastating tsunami and volcanic eruption which saw over 1,400 people lose their lives.

Our emergency response teams at the time provided vital water purification units and clean drinking water, hygiene kits, emergency food packs. Two years on, with 60,000 people who remain internally displaced, Penny Appeal remains focussed on long-term recovery efforts building temporary shelters. Having already delivered vital emergency response, our work in coordination with local partners is now strongly focussed on proactive endeavours around livelihood, recovery, disaster preparedness, and shelter construction. So far, we have built:

- + 30 shelter units for families who lost their homes and livelihoods ruined by the seismic ripples of the earthquake. The shelters include five sets of communal latrines aimed at improving sanitation and reducing the spread of illness in the area.
- + 20 public kitchens fully equipped with gas stoves, hoses, 3kg gas cylinders, folding tables, and additional kitchen cutlery including frying pans, plates, and glasses. Overall, 720 people benefited from the construction of our shelters, kitchens and playgrounds.
- + 2 playgrounds for the children living in shelters. Each playground has swings, a seesaw, a slide, and a swivel chair. These playgrounds have proven to be physically and emotionally therapeutic for children who are emotionally distressed from the trauma of the earthquake.



- + We also delivered Disaster Risk Reduction Workshops on the three most high-risk disaster types: earthquake, liquefaction, and fire to educate the community on how to prepare for potential disasters, as Central Sulawesi is a high-risk area. Approximately 200 people from two different regions attended the workshop, and other items will be distributed to families who are dependent on them and have suffered from the sudden lack of access.

Our proactive efforts directed towards creating long-term solutions in the aftermath of the Indonesian earthquake have also involved protection and livelihood support initiatives for Indonesian women in the Palu and Donggala districts. With the women friendly-space we established in Duyu where regular sessions on gender-based violence and disaster risk reduction were conducted, we were able to reach 649 beneficiaries.

Twelve livelihoods groups responsible for producing a variety of products including banana chips, coconut oil and pumpkin seeds were established through our Women's Small Enterprises project which took place in Duyu, Rano, Rago, and Beka. Seventeen women who received business development training were able to provide immediate financial support for their families.

The Indonesian government have lent their support to these groups by providing training and certification. To ensure the longevity of the project, next year we intend to distribute equipment to ensure that the women have the tools needed for their enterprises.



GAZA

In November 2019, Penny Appeal launched an emergency appeal after escalated attacks in the Gaza strip from Israeli air strikes.

Our local partners on the ground reported a crucial demand for medical supplies in local hospitals located in Gaza City.

Our emergency response efforts supported 2,562 patients, including 1,793 refugees, through the provision of hospital supplies.

PENNY APPEAL @ HOME



Penny Appeal prides itself on providing vital support in the UK with home projects that mirror our impactful global programmes.

For five years now, our teams have supported British communities through some of the most testing periods in our national history.

Whether supporting communities during the Covid-19 pandemic, the Grenfell Tower Emergency, the Manchester Arena bombing or various flood catastrophes that have distressed our communities over the last twelve months, responding to UK emergencies is deeply rooted in Penny Appeal's ethos.

This year, we have supported vulnerable individuals, families, women and entire communities through a range of initiatives.



UK FLASH FLOODS EMERGENCY

Last year saw a startling number of flash-floods directly impact communities across the UK.

Our dedicated teams worked relentlessly to support those impacted. Severe flooding in Whaley Bridge, Derbyshire in August last year resulted in unparalleled damage to the Toddbrook Reservoir dam. The reservoir contained around 300 million gallons of water which would decimate the small town nestled below if the dam were to collapse, prompting an evacuation of the town's 6,500 residents.

Drawing from our experience of responding to international emergencies, Penny Appeal stepped in to assist local residents, providing:

- + 100 sandbags
- + 100 essential toiletry kits
- + 24 sleeping bags
- + 24 blankets

Severe floods also swept across 24 locations across the north of England in July last year, after a weekend of relentless rainfall. Rochdale saw more than a month's worth of rainfall in just 48 hours.

As a consequence, homes were damaged in the town centre and surrounding areas; some train services were cancelled when the railway line was deluged by heavy flooding. Our Disaster Response Team distributed 150 sandbags to over 80 at-risk homes to prevent the flow of floodwater into cellars.



CORONAVIRUS PANDEMIC: UNITED KINGDOM

Britain is faced with its biggest public health crisis in living memory with the Covid-19 pandemic. Since a nationwide lockdown was announced on 23 March by the Prime Minister, the pandemic has caused unprecedented concern for the welfare of the most vulnerable members of our communities.

On 16 March, Penny Appeal launched its UK-based response. We utilised our connections with 56 local partners across the country to act swiftly and decisively to deliver aid to around 1,887 people across the UK, including:

- + 648 food parcels
- + 445 hot meals
- + 300 water bottles

NHS staff face an unprecedented burden on their physical and emotional wellbeing as they work gruelling hours on the front lines.

To support them, our teams provided essential food supplies to around 150 staff at Bradford Royal Infirmary and Queen Elizabeth Hospital in Birmingham in the two weeks since we began our emergency response.



LISTENING LINE

To deal with the surge in loneliness caused by the unprecedented UK wide requirement to self isolate, Penny Appeal opened Listening Line, a confidential listening support service open 7 days a week from 12pm – 8pm for adults aged 18+, who may be concerned about Covid-19 and its impact on their daily lives.

Our emergency freephone helpline has given help and advice to callers from across the UK.



MUSLIM WOMEN IN PRISON PROJECT

In March 2019, there were 226 Muslim women in UK prisons, accounting for 6% of the female prison population.

Muslim women prisoners often face a triple paralysis on the basis of their gender, race and faith. The intersection of these inequalities can have a profound impact on their lives during incarceration.

The lack of culturally appropriate support and the focus on incarceration as opposed to rehabilitation for petty crimes in particular, has exacerbated the dearth of understanding about the specific needs of Muslim women prisoners. Even upon release Muslim women who have served time in prison are often stigmatised, ostracised and isolated by family and community.

To investigate the barriers faced by Muslim women in prison, Penny Appeal co-sponsored the report, *Sisters in Desistance: Community based solutions for Muslim women post-prison* alongside the Muslim Women in Prison Project, a Bradford-based initiative.

The report highlighted the inequalities Muslim women prisoners face within the criminal justice system. It also made recommendations of culturally appropriate support anchored in the grass-roots community, that will help these women to rebuild their lives when they leave prison.

Penny Appeal has continued to work alongside the Muslim Women in Prison Project at the Khidmat Centre in Bradford, to enable the reintegration of these women back into the community. In the last year, the project has successfully supported the reintegration of 48 women and is currently supporting 28 other women still in prison.

Through the initiative, these women can receive assistance with their mental health, medical appointments, housing support, employment and opportunities for further education. Whilst the beneficiaries of the project are primarily Muslim women prisoners, the project also supports female prisoners from non-Muslim backgrounds.

DOMESTIC ABUSE HELPLINE

Two women are killed every week in England and Wales at the hands of a current or former partner. Domestic abuse is still rife in our society and is likely to get worse during the Covid-19 lockdown, with victims forced to be in constant proximity to their abusers.

Though it was established only last year, Penny Appeal's flagship Domestic Abuse Helpline which was created to remedy the pervasiveness of domestic violence in all communities, has already supported thousands of victims and survivors of domestic abuse in the UK.

This year alone, we received a total of 6,573 contacts via telephone, webchat and email from across the country. Our Domestic Abuse Helpline is accompanied by a Domestic and Sexual Abuse Counselling Service which operates across west London and Wakefield, providing professional, culturally sensitive counselling to women who have nowhere else to turn to.

This year alone, our counsellors provided over 500 one-to-one sessions to clients.

We received 80 referrals from female victims and survivors of domestic abuse who were sign-posted to our services. Tragically, we expect these numbers to rise during lockdown, and so our teams are ready and prepared to deal with an increased demand for services.



FOOD DISTRIBUTION

Over six hundred men and women died homeless in the UK in 2020 alone.

Destitute asylum seekers receive a wretched £37.75 a week of subsistence payments, leaving an already extremely vulnerable group unable to legally work until the government grants permission, struggling to survive.

To add to this, government findings suggest a household becomes homeless every 4 minutes. Now with the economic uncertainty brought by the pandemic, there is no telling how catastrophic this will be for those already struggling to survive. In order to support those who have fallen through the state safety-net, Penny Appeal continues to deliver warm food around the country.

This year we ran regular food distributions across six locations in the UK: Wakefield, Manchester, Leeds, Bradford, Coventry, and Rochdale. Our dedicated Team Orange volunteers are unsung heroes labouring behind the scenes, distributing food across the country on a weekly and biweekly basis. We succeeded in distributing 15,950 hot meals this past year.



COMMUNITY KITCHENS: MEET & EAT

Alongside our partner Feed Our World UK, our community kitchens reached out to low-income families, refugee communities and the homeless in the UK this year.

We successfully distributed 1,800 meals in Coventry, Wakefield, Leeds and Oldham.



UK RAMADAN SUPPORT

The holy month of Ramadan can be a challenging time for families struggling to put food on the table.

As food poverty continues to worsen here in the UK, research from The Trussell Trust suggests a shocking 1.9 million food bank parcels were given to people this last year. Almost a million of these went to children.

Our staff and volunteers continued to travel around the UK distributing warm food to communities in dire need. We provided aid to thousands, including vulnerable adults, the homeless, and refugees, including:

+ 300 Non-perishable food parcels which provide 2-weeks of supplies to families. These packages include essentials such as sugar, tea bags, Weetabix, chickpeas, rice, past, long-life milk and oil, amongst other items.

The communal spirit of togetherness is just as vital as the food itself during Ramadan. As a result, during Ramadan we also organised and provided 1,070 hot meals for community Iftars held in Bradford's Khidmat Centre and Clements Gate, as well as Coventry Refugee and Migrant Centre.

To celebrate Eid, we provided 2,080 meals in total across Leeds, Birmingham, London, and Derby.

LONELINESS: CARE HOMES

According to Age UK, there are 1.4 million chronically lonely people in England.

Elderly people in particular suffer from chronic isolation which is particularly prevalent among those with no family, widowed individuals and those who are chronically ill.

To tackle the bitter isolation faced by an aging population, Penny Appeal volunteers visit care homes across the UK to spend time with the residents on a monthly basis and provide the human contact this generation are so desperately yearning for.

These visits are designed to inject the warmth and life of social events we take for granted such as afternoon tea parties and entertainment gatherings, with residents actively encouraged to get involved in the organisation and delivery of the events.

This year, our volunteers facilitated 36 visits in care homes across the UK which included Carder Court in Rochdale, St Catherine's Church – a day care centre in Wakefield, The Manor House and Springfield House in Leeds, and Abbey Grange in Sheffield.





SEASONAL GIFTS FOR CHILDREN IN HOSPITAL

Christmas, Eid and Ramadan can be an especially trying time for chronically ill children and their families who have to spend much of their time in hospital instead of the warmth of their home.

To rejuvenate that childish zest for fun and laughter which is so often stamped out of these children's lives by illness, our volunteers visited Bradford Women's Aid, University College London Hospital, Great Ormond Street, Leeds General Infirmary, and Pinderfields Hospital in Wakefield, distributing 500 bags filled with 1,500 toys.

SUSTAINABLE DEVELOPMENT INITIATIVES



WOMEN'S EMPOWERMENT IN NEPAL

In Nepal, the Muslim minority which makes up around 4% of the population, faces abject discrimination influenced by anti-Muslim sentiments that have erupted in neighbouring India, where Hindu nationalism has fuelled the flames of Islamophobia.

Muslim women's access to human rights, healthcare or education is especially precarious in Nepal, where these women are unable to apply for citizenship without a man's permission due to patriarchal practices.

By partnering with Mandwi, a female-led Nepalese organisation with a focus on the empowerment of women and children within Nepal's marginalised ethnic Madhesi communities, 40 women so far have been granted citizenship, giving them unprecedented legal recognition in a fundamental first step towards gender equality.

To add to all this, Nepal has one of the highest rates of child marriage in Asia. Though the legal age of marital unions for both sexes is 20, around 50% of women aged 20-24 are married before they turn 18, thrusting them into potentially abusive marriages which expose them to sexual violence.

Penny Appeal has undertaken significant efforts to uplift Nepalese women through socio-economic empowerment with several training schemes that began in January last year, which included women's advocacy, sewing, beautician training and E-Rickshaw driving. So far, 273 Muslim women have benefitted.

This sustainable intervention has succeeded not only in raising awareness on women's rights and the significance of teaching livelihood skills.

It has transformed the behaviour and attitudes of the local community to champion and advocate for the socio-economic empowerment of women.

Where driving a rickshaw is a career choice designated for men, 33-year old Sabeena is one of the Nepalese women who has broken wider societal norms by enrolling onto our rickshaw training.

With the support of Penny Appeal, her husband and the wider local community, Sabeena will be amongst the first women in the area to drive and earn a living for her family.

"If people see me, a woman on wheels, and laugh, I don't care.

If I'm feeding my family, then I don't care what they think. Their laughter won't feed me, but my work will." – Sabeena

Next year, the second phase of this programme will focus on training women to make dolls, sanitary towels, and hand embroidery amongst other things.



CLIMATE SMART VILLAGES

The Climate Smart Village initiative was created last year to promote rural food security and sustainable food production in Pakistan.

Together, Penny Appeal and the Farmers' Integrated Development Association (FIDA) built the first Climate Smart Village in the district of Vehari in Punjab.

Over 30% of its 2.8 million population are illiterate and live below the poverty line. The majority of the population earn their livelihood through agriculture. However, climate change and limited resources available to farmers has instigated food insecurity in the region. Last year, Penny Appeal leased six acres of land in the district to hundreds of landless families and provided vital provisions for farming.

A crucial element of the villages is our Woman Open Schools which are currently running across three villages in the region. Six schools were established, where 102 women were taught farming techniques and how to get the most out of their crops so that they can produce a regular harvest.

A total of 1,602 households have benefitted from this project so far. In addition, Penny Appeal provided 22,500 trees to over 1,500 families, allowing them to fulfil their essential nutritional needs as well as providing a dependable income.

After the success of the first Climate Smart Village in Pakistan, we want to develop more to continue this impactful, self-sustainable programme by establishing two further villages. Through projects such as this, villagers will eventually be equipped with the knowledge and skills to not only support themselves in the short-term, but to sustain themselves for years to come.



SOLAR WATER WELL AND POWER CENTRE

Despite having more glaciers than almost anywhere else in the world except for the polar regions, Pakistan is one of the world's most water stressed countries.

Climate change has led to extended periods of drought, whilst pollution and intensive agriculture has exacerbated water scarcity in the country. Subsequently, many women and children are forced to walk for miles every day just to access a clean water source, where they often still have to draw the water from hundreds of metres below the ground.

To help address this pressing humanitarian need, Penny Appeal has provided tube wells and deep wells to many communities, whilst also building 12 Solar Water Well and Power Centres in Pakistan, providing a more sustainable water future for 23,285 people.

Our environmentally friendly centres harness the sun's energy to swiftly bring water up from deep below the ground, where it is made immediately available once it is stored in a tank. The solar panels generate electricity too, providing lighting for schools and mosques.

Next year, we plan to roll out the Solar Water Well and Power Centres to a wide range of new countries.

FINANCIAL REVIEW



PRINCIPLE FUNDING SOURCES

During the year, the Charity raised total income of £28,683,676 (2020: £31,500,017), a decrease of £2,816,341, against prior year. There were no In-kind donations in the current year compared to £2,344,544 of such income in the prior year.

The in-kind donations had no net impact on the prior year surplus and excluding these, income for the year has reduced by £471,797 on a like-for-like basis. The total of Gift Aid claimed was £2,618,923 (2020: £3,621,441), representing around 9.1% (2020: 11.5%) of total income raised in the year. The total in the prior year was relatively higher due to some Gift Aid money relating to the previous year being received. 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 year, the Charity generated an in-year surplus of £5,398,452 compared to a surplus of £593,123 in the prior year. The increased surplus was driven by a number of factors, mainly relating to the impact of the pandemic. Restrictions resulted in the launch of some new charitable programme projects being delayed and expenditure on charitable activities of £19,993,933 (2020: £25,130,491) was consequently reduced. These funds will be disbursed in the following financial periods, in line with intended use once delayed projects can be commenced. Costs of raising funds of £3,291,290 (2020: £5,199,795) were significantly lower as a result of fewer events and represent a real cost saving.

The above performance has demonstrated the fundamental soundness of the financial position 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 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 £19,993,933 represented 69.7% of total income raised (2020: 80.0%).

The reduction is due to timing differences, as a larger operating surplus of £5,398,452 (2020: £593,123) was retained. This was mainly due to the impacts of the pandemic meaning that certain new programme project payments were delayed. These funds will be disbursed in the following financial periods.

Key areas of spend include the following:

	2021 £m	2020 £m
Orphans	4.0	6.1
Medical	0.3	3.3
Feeding	3.9	3.9
Water	2.4	2.9
Community establishment	1.1	1.7
Emergency	2.8	3.5
Other aid	5.4	3.6

— Support costs

The Charity's support costs during the year were £2,007,469 (2020: £2,735,288), representing 7.0% (2020: 8.7%) 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.

CHARITABLE ACTIVITIES

— Reserves Policy

General reserves have been increasing year on year.

	2021 £m	2020 £m	2019 £m	2018 £m	2017 £m
General Reserve	4.1	2.4	1.9	1.3	0.8
Restricted	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 £1.2million which have been maintained throughout the year. This policy forms part of the Trustees assessment of going concern which is detailed on page 130.

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

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 Trustees' Report.**
- + **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.

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:

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

As part of a strategic review conducted by the Charity, our values are being updated and will be launched as part of the new strategic and operational plans for 2022.

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



OBJECTIVES & ACTIVITIES

Penny Appeal's objectives

The Charity's objectives include:

- + To prevent and/or relieve poverty, to advance and promote education and to advance health in each case for the public benefit anywhere in the world;
- + 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;
- + Develop the capacity and skills of members of the community in such a way that they are better able to identify and help meet the needs and participate fully for the betterment of society;

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:

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

The Charity regularly monitors its activities against the fundraising code of practice to ensure that all practices are in line with the guidance.

During the current year, certain fundraising events and activities could not be completed due to the pandemic-associated restrictions, but these are expected to recommence once the easing of such restrictions safely allows.

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 policy and reported to the Fundraising Regulator through the annual return.

Governance and conflicts of interest

During the year, 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 financial year, to ensure suitability and adequacy as the Charity continues to grow.

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.

In November 2020, the Charity was notified by the Charity Commission that it had opened a Regulatory Compliance Case and requested information relating to aspects of governance. The Trustees are of the view that comprehensive replies have been provided to the Charity Commission to all the questions raised and consider that governance in all areas in relation to which questions were raised is appropriate.

This is based on the significant enhancements implemented as part of the Governance Improvement Plan. As part of their commitment to strong and effective governance, the Trustees have instructed the Charity's legal advisors to complete a review of all aspects of governance. This will provide further validation of the improvements made, and identify those areas where there is scope to strengthen governance further. 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 112.

OBJECTIVES & ACTIVITIES

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 have been 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. Additional measures have been taken to further strengthen the Charity's safeguarding capabilities. The new 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 has been appointed to provide further assurance and attends the Safeguarding Committee meetings.

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. An anti-money laundering policy is in place and the Charity collects adequate identity details for large donations. 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)

From May 2017 the Charity has provided GDPR training to all senior staff. A GDPR action plan is implemented and continually 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.

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 of these 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 32 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 50 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, Chair of Finance, Audit & Risk Committee

Saeeda is the Chief Financial Officer at Fox's Biscuits and has served as the financial lead for several multi-million-pound, multi-national companies.

She brings to Penny Appeal an incredible array of experiences, insights, and industry know-how, including skills that assist in improving governance and risk management. She serves as Chair of the Finance, Audit & Risk Committee, overseeing the Internal Audit Function.



Umer Sheraz

Trustee

Umer is a business transformation leader who has worked across a range of sectors specialising in governance, process and sustainable growth.

He brings to Penny Appeal over 20 years of strategic oversight, organisational transformation and development experience putting people and process at the heart of progress.

On the Board of Penny Appeal, Umer performs a central role by ensuring audit and risk procedures are robust, governance is strong and output is high in aid of the vulnerable beneficiaries Penny Appeal exists to serve.

THE TRUSTEES



Irfan Rajput

Trustee

Irfan Rajput is a former senior staff for the United Nations humanitarian and development organisation, with over 30 years of senior experience in the international development sector.

A long-time associate of Penny Appeal, he has previously provided his expertise to our expanding campaigns, consulting on the implementation of international development projects in his capacity as an industry specialist.

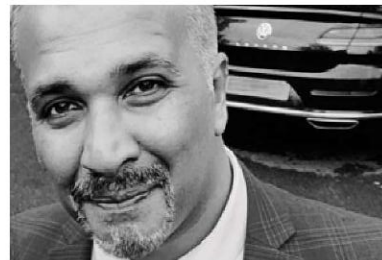


Gill Laidler

Trustee

Gill Laidler is a leading figure in the worlds of marketing, communications, and journalism, notably as Group Editor & founder of Topic UK B2B Magazine, covering Yorkshire, and Yorkshire Businesswoman magazine.

She has been a trustee for a range of charities and has also held several senior management positions within the charity sector.



Nasir Akram

Trustee

Nasir Akram is an audit and digital transformation specialist bringing over 20 years of industry experience to Penny Appeal.

He has been a board member of the International Institute for Business Analysis (IIBA) and has acted as business analyst for many well known multi-nationals covering both private and public sectors including industries such as petrochemical, banking, telecommunications and local government.

STRUCTURE, GOVERNANCE, AND MANAGEMENT

Directors/Trustees:

Mr Mohammed Jahangir (appointed 16.11.20)
Mr Adeem Younis
Mr Umer Sheraz (appointed 16.11.20)
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)
Mr Rizwan Khaliq (resigned 13.04.21)
Mr Ian Wainwright (resigned 26.10.20)
Ms Isha Begum (appointed 16.11.20, 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 in order 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 year and subsequent to it. 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 this financial year 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 the individual Trustees' wide range of skills, expertise and knowledge.

STRUCTURE, GOVERNANCE, AND MANAGEMENT

Trustee appointment

All nominations of potential new trustees are reviewed by the existing 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 objectives set. 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 year, the Charity made total grants of £12.3m (2020: £12.5m) to 117 (2020: 132) 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 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. During the reporting period, and subsequent to it, the management team has been significantly strengthened through recruitment.

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 a period of 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 financial year.

The Trustees meet regularly to consider the activities of the Charity and approve its overall direction. The financial period coincided in part with the 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. Looking forward, Penny Appeal is planning to move into 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' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 Annual Report, the Strategic Report and the Trustees' Report (including the Chair of Trustees' Statement) are approved by the Trustees of the Charity on 28 February 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 year ended 30 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 April 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006..

Basis for opinion

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

Conclusions relating to going concern

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 charity'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 year 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 the 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 116, 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 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 Charity through discussion with Trustees and other management and review of appropriate industry knowledge, including direct discussion with the Charity's 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 Charity), 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 Charity; 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 Charity's legal advisors and reviewing and reviewing all relevant correspondence from the Charity Commission with regards the open Compliance Case into the Charity; Reviewing managements internal controls and assessment of partner agencies compliance with grants paid and performance in the year; 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. 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 February 2022

FINANCIAL STATEMENTS



STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 APRIL 2021

To 30 April 2021	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Income and Endowments from:				
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
Expenditure on:				
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
Reconciliation of funds:				
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

To 30 April 2020	Note	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Income and Endowments from:				
Donations	3	6,376,922	25,109,026	31,485,948
Investment Income	5	14,069	–	14,069
Total Income		6,390,991	25,109,026	31,500,017
Expenditure on:				
Raising Funds	6	(1,103,188)	(4,096,607)	(5,199,795)
Charitable Activities	7	(3,573,347)	(21,577,144)	(25,130,491)
Impairment		(576,608)	–	(576,608)
Total Expenditure		(5,253,143)	(25,653,751)	(30,906,894)
Net Income/ (Expenditure)		1,137,848	(544,725)	593,123
Transfers between funds		(666,487)	666,487	–
Net movement in funds		471,361	121,762	593,123
Reconciliation of funds				
Total funds brought forward		1,893,959	499,531	2,393,490
Total funds carried forward	23	2,365,320	621,293	2,986,613

BALANCE SHEET

AS AT 30 APRIL 2021

	Note	Total 2021 £	Total 2020 £
Fixed assets:			
Intangible assets	15	47,523	59,692
Tangible assets	16	2,553,385	2,531,041
		2,600,908	2,590,733
Current assets:			
Debtors	18	416,615	811,318
Cash at bank and in hand		6,644,908	1,928,949
		7,061,523	2,740,267
Creditors: amounts falling due within one year	19	(994,650)	(1,771,672)
Net current assets		6,066,873	968,595
Total assets less current liabilities		8,667,781	3,559,328
Creditors: amounts falling due after one year	20	(282,715)	(572,715)
Net assets		8,385,066	2,986,613
Funds of the charity			
Restricted funds		4,234,892	621,293
Unrestricted funds		4,150,174	2,365,320
Total funds	23	8,385,066	2,986,613

The financial statements on pages 124 to 149 were approved by the Trustees on 28 February 2022, and signed on their behalf by:

Mohammed Jahangir

Mohammed Jahangir

Chair of Board of Trustees

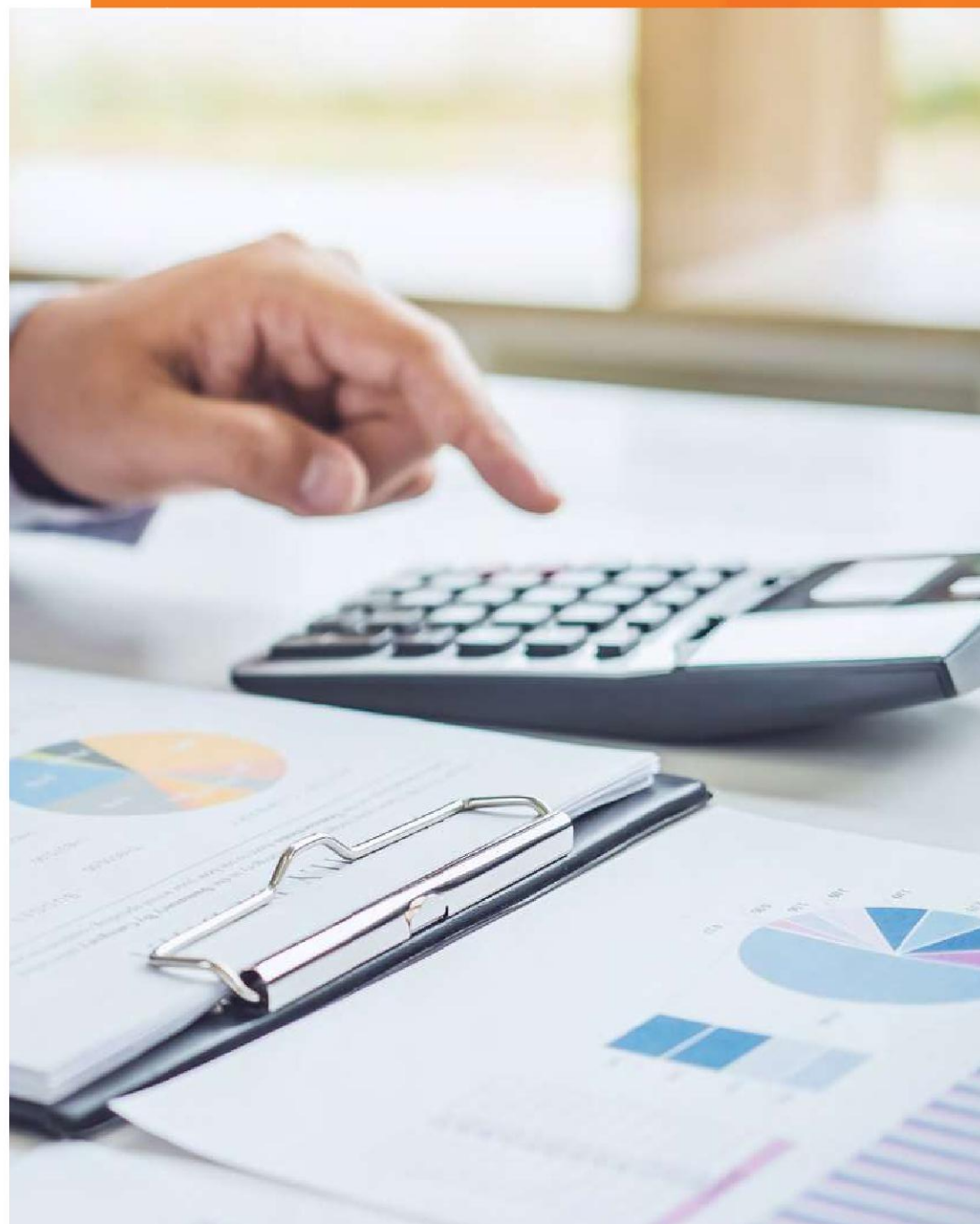


STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2021

	Note	Total 2021 £	Total 2020 £
Cash flows from operating activities:			
Net (expenditure)/income		5,398,453	593,123
Adjustments to cashflows from non-cash items:			
Depreciation	16	201,541	125,300
Amortisation	15	14,658	4,689
Investment income	5	(30,565)	(14,069)
Impairment	16	–	576,608
		5,584,087	1,285,651
Working Capital adjustments:			
Decrease in stocks	17	–	4,821,497
Decrease/(increase) in debtors	18	394,703	(34,845)
Decrease in creditors	19	(777,022)	(5,230,308)
Net cash flows from operating activities		5,201,768	841,995
Cash flows from investing activities:			
Interest receivable and similar income	5	30,565	14,069
Purchase of intangible fixed assets	15	(2,489)	(52,722)
Purchase of tangible fixed assets	16	(223,885)	(51,253)
Payment on tangible fixed assets	20	(290,000)	(364,785)
Net cash flows from investing activities		(485,809)	(454,691)
Net increase in cash and cash equivalents		4,715,959	387,304
Cash and cash equivalents at 1 May		1,928,949	1,541,645
Cash and cash equivalents at 30 April		6,644,908	1,928,949

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

1. Charity status

The Charity is limited by guarantee 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:
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 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 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 nor any significant areas of uncertainty that affect the carrying value of assets held by the Charity. In reaching this assessment, the Trustees recognise that there have been downward pressures on income subsequent to the end of the reporting period, coinciding with the ongoing impacts of the pandemic.

The Trustees have considered detailed budgets for 2022, including stress tests of income levels. This included applying severe but plausible scenarios to budgets. These have demonstrated that should income levels be significantly below base plans going forward, expenditure could be reasonably and realistically managed to ensure that the Charity retained sufficient resources.

This reflects the fact that the delivery of grant making projects in overseas jurisdictions are often discretionary in nature and dependent upon up front funding. Furthermore the ability to realise certain non current assets at short notice and free cash reserves at 28 February 2022 mean that the adverse impact of both sensitised costs and income still give rise to material levels of cash head room. It is this assessment that supports the Trustees view that the Charity remains a going concern for the foreseeable future.

— 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.

NOTES TO THE FINANCIAL STATEMENTS

— 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 category that aggregate similar costs to that category. Where costs cannot be directly attributed to particular categories 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' 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.

— 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: Website development
Method and rate: over a period of 3 years

— Tangible fixed assets

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

— Depreciation

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:	Fixtures and fittings	Computer equipment	Motor vehicles
Method and rate:	15 years straight line	3 years straight line	4 years straight line

— 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.

NOTES TO THE FINANCIAL STATEMENTS

— Research and development

Research and development expenditure (website development) 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 trustees' 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 Penny Appeal can exert its control over the holding and distribution of stock.

— Critical accounting judgments and estimates

The Charity has one critical judgment which is in relation to the carrying value of properties. The Trustees reassessed the values of properties in February 2022 prior to the approval of these financial statements, by obtaining the opinion of a specialist real estate advisor. Whilst recognising that alternative methods of valuation exist, the Trustees do not believe that there would be a material difference in valuation if they were applied. There are not considered to be any other areas of critical accounting estimate.

NOTES TO THE FINANCIAL STATEMENTS

3. Income from donations - analysis by income type

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Donations	2,026,036	24,008,153	26,034,189	25,519,963
Gift aid reclaimed	2,618,922	-	2,618,922	3,621,441
Gifts in kind	-	-	-	2,344,544
	4,644,958	24,008,153	28,653,111	31,485,948

4. Income from donations - analysis by activity funded

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
General	4,644,958	3,192,104	7,837,062	6,376,922
Feeding	-	5,960,392	5,960,392	4,590,946
Emergency	-	2,451,112	2,451,112	4,587,348
Orphans	-	7,272,027	7,272,027	7,379,472
Education	-	192,725	192,725	1,024,233
Water	-	3,314,778	3,314,778	3,322,134
Medical	-	289,594	289,594	3,633,084
Community	-	1,335,420	1,335,420	571,809
Total	4,644,958	24,008,153	28,653,111	31,485,948

5. Investment Income

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

	Unrestricted funds General £	Total 2021 £	Total 2020 £
Income receivable on bank deposits	30,565	30,565	14,069

6. Expenditure on raising funds

	Direct £	Support £	Total 2021 £	Total 2020 £
Events	264,203	15,729	279,932	442,256
Publicity	335,079	24,551	359,630	568,165
Fundraising	2,528,148	123,580	2,651,728	4,189,374
Total	3,127,430	163,860	3,291,290	5,199,795

Fundraising costs includes advertising, marketing, relevant staff and consultancy costs.

7. Expenditure on charitable activities

	Activity undertaken directly £	Grant funding of activity £	Activity support costs £	Total 2021 £	Total 2020 £
General	1,611,925	3,032,311	504,255	5,148,490	3,573,347
Feeding	1,225,932	2,272,204	383,505	3,881,642	3,333,179
Emergency	504,144	2,185,436	157,710	2,847,290	3,543,578
Orphans	1,495,709	2,052,395	467,899	4,016,003	6,057,529
Education	39,640	234,697	12,400	286,737	772,008
Water	681,783	1,538,436	213,281	2,433,499	2,878,636
Medical	59,564	213,598	18,633	291,795	3,269,962
Comm. Establish- ment	274,669	727,885	85,924	1,088,478	1,702,252
Total	5,893,364	12,256,962	1,843,608	19,993,933	25,130,491

In addition to the expenditure analysed above, there are also governance costs of £271,718 (2020: £277,308) which relate directly to charitable activities. See Note 8 for further details.

NOTES TO THE FINANCIAL STATEMENTS

8. Analysis of governance and support costs

Support costs allocated to raising funds.

	Finance costs £	Information Technology £	Administration costs £	Premises costs including depreciation £	Total 2021 £	Total 2020 £
Fundraising	45,625	44,311	8,690	65,234	163,860	417,397

Support costs allocated to charitable activities:

	Finance costs £	Information Technology £	Administration costs £	Premises costs including depreciation £	Total 2020 £	Total 2020 £
General	140,402	136,361	26,744	200,748	504,255	524,636
Feeding	106,781	103,708	20,340	152,676	383,505	392,896
Emergency	43,912	42,648	8,364	62,786	157,710	392,588
Orphans	130,280	126,530	24,815	186,274	467,899	631,540
Education	3,453	3,353	657	4,937	12,400	87,654
Water	59,385	57,676	11,312	84,909	213,281	284,310
Medical	5,188	5,039	988	7,418	18,633	110,274
Comm. Establishment	23,924	23,236	4,557	34,207	85,924	48,936
Total	513,325	498,551	97,777	733,955	1,843,608	2,472,835

Governance costs allocated to charitable activities:

	Unrestricted funds General £	Restricted funds £	Total 2021 £	Total 2020 £
Audit of the financial statements	7,781	40,219	48,000	90,450
Legal fees	36,267	187,451	223,718	186,858
Total	44,048	227,670	271,718	277,308

9. Grant-making

Below are details of grants made to institutions:

	Total 2021 £	Total 2020 £
Name of Institution:		
Penny Appeal Canada	1,774,949	285,785
ILM	1,431,364	1,731,597
Penny Appeal Pakistan	1,172,258	1,730,601
United Purpose	917,406	418,742
Less than £50k	713,910	1,216,761
Penny Appeal South Africa	735,329	627,865
Organization for Research and Community	495,017	–
ACRE Uganda	437,441	141,248
African Development Trust	424,425	136,203
Mandwi	416,502	80,091
Penny Appeal Gambia	318,705	1,299,876
Action Aid London	270,446	55,118
HELP (Health, Education and Literacy Programme)	269,680	–
Medical Aid For Palestinians (MAP)	220,148	–
International Blue Crescent Relief	217,711	130,456
Shushilan	196,148	–
Sajida Foundation	186,299	83,351
Palestinian Farmers Union	174,417	–
Nabd Development and Evolution Organization	154,916	–
Syria Relief	153,251	–
Unnayan Shahojogy Team (UST)	143,850	115,601
Annasrou Deen et Developpement	138,392	624,411
Responsiveness for Relief and Development	134,852	–
Penny Appeal Middle East	116,113	262,975
Action for Humanity	113,467	–
Read Foundation	110,000	333,430
INSAN	98,276	–
The Humanitarian Forum Yemen	86,786	170,998
Haji Superstore	83,777	97,996
Mother Help Age	79,452	–
Afghanistan and Central Asian Association	65,558	–
Rural Development Centre (RDC) Nepal	64,500	–

NOTES TO THE FINANCIAL STATEMENTS

	Total 2021 £	Total 2020 £
Name of Institution:		
Penny Appeal USA	60,000	409,287
Karama Organisation	59,383	-
Shamaazi Ltd	57,050	-
Moroccan Children's Trust	56,282	51,563
Humanitarian Assistance for the Women	56,000	-
Al Makassed Islamic Charitable Society	52,904	-
Penny Appeal Australia	-	576,205
Sawaed Association for Relief and Development	-	177,345
Sawaed Association for Relief	-	170,010
Institute of Development Affairs (IDEA)	-	148,004
Almustafa Lilumoma Wariaayat	-	104,750
Concern Worldwide	-	120,000
Sylhet Jubo Academy	-	98,610
Action Aid Bangladesh	-	97,482
Medecins Du Monde – Greece	-	90,000
Al-Hikma Foundation	-	89,367
Zam Zam Bangladesh	-	82,320
Penny Appeal Israel	-	81,429
Zain Ul Abideen and Sons	-	81,147
Arsenic Mitigation Research Foundation	-	80,856
Awareness and Consolation Association	-	70,786
Islamic Help	-	69,542
Welfare Association	-	63,872
Novo Jibon	-	63,071
Friends of the Blind Association	-	62,447
Penny Appeal Nepal	-	53,668
The Muslim Council of Britain	-	51,094
Markfield Institute of Higher Education	-	50,000
	12,256,962	12,485,960

10. Net incoming/outgoing resources

Net incoming resources for the year include:

	Total 2021 £	Total 2020 £
Depreciation	201,541	125,300
Amortisation	14,658	4,689

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 members of the Charity's executive management team, were paid £464,108 (2020: £277,900) for their services to the Charity. This increase was due to additional management being recruited, as explained within the Structure, Management and Governance section on page 115.

12. Staff costs

The aggregate payroll costs were as follows:

	Total 2021 £	Total 2020 £
Staff costs during the year:		
Wages and salaries	3,821,679	4,218,351
Social security costs	336,309	364,494
Pension costs	66,634	73,070
Total	4,224,622	4,655,915

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 2021 No	Total 2020 No
Charitable activities	47	46
Fundraising and Marketing	86	113
Admin and Support	23	28
Total	156	187

NOTES TO THE FINANCIAL STATEMENTS

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

	Total 2021 No	Total 2020 No
£60,001 – £70,000	2	1
£70,001 – £80,000	1	1
£80,001 – £90,000	1	-
£90,001 – £100,000	1	1

13. Auditor's remuneration

	Total 2021 £	Total 2020 £
Audit of the financial statements	48,000	90,450

14. Taxation

The Charity is a registered charity and has undertaken no trading or non exempt activities that would be subject to UK corporation tax.

15. Intangible assets

	Software development £	Total £
Cost		
At 1 May 2020	236,342	236,342
Additions	2,489	2,489
At 30 Apr 2021	238,831	238,831
Accumulated amortisation		
At 1 May 2020	176,650	176,650
Charge for the year	14,658	14,658
At 30 Apr 2021	191,308	191,308
Net book value		
At 30 April 2020	59,692	59,692
At 30 April 2021	47,523	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 £
Cost				
At 1 May 2020	2,141,063	1,014,374	86,258	3,241,695
Additions	-	233,695	-	233,695
Disposals	-	-	(9,810)	(9,810)
Impairment	-	-	-	-
At 30 Apr 2021	2,141,063	1,248,069	76,448	3,465,580
Accumulated depreciation				
At 1 May 2020	-	644,732	65,922	710,654
Charge for the year	-	193,609	7,932	201,541
At 30 Apr 2021	-	838,341	73,854	912,195
Net book value				
At 30 April 2020	2,141,063	369,642	20,336	2,531,041
At 30 April 2021	2,141,063	409,728	2,594	2,553,385

Included within the net book value of land and buildings above is £2,141,063 (2020: £2,141,063) in respect of freehold land and buildings and £0 (2020: £0) in respect of leaseholds. The carrying value of land and buildings was reassessed as detailed in the accounting policy on critical judgments shown on page 135. This determined that the carrying value was reasonable.

17. Stocks

Stocks relate to medical supplies held for distribution. There were no stocks held at the end of the year (2020: £nil)

18. Debtors

	Total 2021 £	Total 2020 £
Due from group undertakings	-	124,116
Prepayments	57,213	64,718
Other Debtors	114,059	375,525
Gift Aid Debtor	245,343	246,959
	416,615	811,318

NOTES TO THE FINANCIAL STATEMENTS

19. Creditors: amounts falling due within one year

	Total 2021 £	Total 2020 £
Trade creditors	540,163	971,248
Other taxation and social security	119,994	105,200
Accruals	334,493	695,224
	994,650	1,771,672

20. Creditors: amounts falling due after more than one year

	Total 2021 £	Total 2020 £
Other creditors	282,715	572,715

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:

	Total 2021 £	Total 2020 £
Land and buildings		
Within one year	5,500	76,634
Between one and five years		283,500
	5,500	360,134

22. 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 £66,634 (2020: £73,070).

23. Funds

	Balance at 1 May 2020	Incoming resources £	Resources Expended £	Transfers £	Balance at 30 April 2021
Unrestricted funds					
General	2,365,320	4,675,523	(6,048,708)	3,158,039	4,150,174
Restricted funds					
General	-	3,192,104	-	-	3,192,104
Feeding	-	5,960,392	(4,935,441)	(1,024,950)	-
Emergency	621,293	2,451,112	(2,029,618)	-	1,042,788
Orphans	-	7,272,027	(6,021,527)	(1,250,500)	-
Education	-	192,725	(159,584)	(33,141)	-
Water	-	3,314,778	(2,744,768)	(570,010)	-
Medical	-	289,594	(239,795)	(49,799)	-
Community	-	1,335,420	(1,105,781)	(229,639)	-
	621,293	24,008,152	(17,236,514)	(3,158,039)	4,234,892
Total funds	2,986,613	28,683,675	(23,285,222)	-	8,385,066

— Unrestricted funds

Donors do not specify project or programme when donating money and management spend this money based on where most needed.

NOTES TO THE FINANCIAL STATEMENTS

— 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, focussed 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 marginalized orphaned children with access to food, clean water, medical assistance, and a high-quality education. We also provide specialized 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 at 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
	Unrestricted funds General £	Restricted funds £	Total funds at 30 April 2020 £
Intangible Fixed Assets	59,692	-	59,692
Tangible Fixed Assets	3,107,649	-	3,107,649
Current Assets	1,542,366	621,293	2,163,659
Current Liabilities	(1,771,672)	-	(1,771,672)
Creditors over 1 year	(572,715)	-	(572,715)
Total Net Assets	2,365,320	621,293	2,986,613

NOTES TO THE FINANCIAL STATEMENTS

25. Subsidiary accounts

The Charity owns 100% of the shares of Penny Appeal Trading Company Limited (Company no 09522253) and Penny Appeal Ventures Limited (Company no 11051892). Both of these companies are non-trading and immaterial, and therefore have not been consolidated into Penny Appeal's financial statements.

26. Related party transactions

— Transactions with related parties

Penny Appeal made the following transactions with related parties:

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

During the year Penny Appeal paid £179,580 (2020: £1,720,000) 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 year, Esplanade Vale Media Limited made the following payments to such companies under those agreements: £240,000 (2020: £240,000) for advertising; £86,400 (2020: £86,400) for studio and broadcast equipment rental; £133,219 (2020: £133,219) for property rental; and £28,800 (2020: £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 year, Penny Appeal paid MB Trading House Limited, £14,400 (2020: £86,400) 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 £12,000 (2020: £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 year, PAUS made payments of £854,323 to the Charity as contributions to programmes (2020: £942,649). The Charity did not pay any funds to PAUS during the year (2020: £394,570). This reflected that the initial funding agreement whereby the Charity agreed to provide capacity building grants to PAUS came to end in the prior year.

27. Contingent liabilities

In the prior year financial statements a disclosure was included as a post balance sheet event relating to a regulatory compliance case raised by the Charity Commission in November 2020. As detailed in the Trustees' Report on page 105, the Trustees remain of the opinion that adequate responses have been provided for all information requested. Consequently, it is considered that there are no contingent liabilities.



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PENNY APPEAL IS A UK REGISTERED CHARITY 1128341
AND UK REGISTERED COMPANY 06578382.