

PEPAL FOUNDATION

(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Registered number: 06949484

Charity number: 1137688



www.pepal.org

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TRUSTEES' REPORT - PEPAL FOUNDATION FOR THE YEAR ENDED 31ST DECEMBER 2020

Directors and trustees

Dr. Andriy Klepikov

Jane Waterman (Terminated 27/01/2020)

Jane Smith (Terminated 29/01/2020)

Edward Marsh

Claire-Jayne Green

Julie Saunders (Appointed 27/01/2020)

Vikas Karlekar (Appointed 08/04/2020)

Programme Director (who is neither a member of the company nor a trustee)

Sarah Galvin

Name of the Charity

The name of the charity is Pepal Foundation. The use of the word 'Pepal' is used as a collective term to describe the Pepal Foundation and member group companies.

Company registered number: 6949484

Charity registered number: 1137688

Independent Examiners:	Susan Robinson	Kreston Reeves LLP 2 nd Floor, 168 Shoreditch High Street, London, E1 6RA
Bankers:	HSBC	210 High Holborn, London, WC1V 7BX
	Moneycorp	2 Sloane St, Knightsbridge, London, SW1X 9LA
	Absa Bank Uganda	Plot 2/4 Hannington Road, Kampala, Uganda
Solicitors:	Russell-Cooke	2 Putney Hill, London, SW15 6AB

Registered Office:
244 Kilburn High Road
Kilburn
London
NW6 2BS

Principal Office:
45 Circus Road
St John's Wood
London
NW8 9JH

1. Introduction

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of Pepal Foundation (the charity and the group) for the year ended 31 December 2020. The Trustees confirm that the annual report and financial statements of the charity and the group comply with the current statutory requirements, the requirements of the charity and the group's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019.

Since the charity qualifies as 'small' under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The Pepal group was set up with the support of Foundation Hoffmann to connect businesses and NGOs to achieve effective and sustainable social change in the developing world through a focus on leadership and innovation. Originally an initiative of the registered charity, the International HIV/AIDS Alliance, Pepal became an independent group in July 2009.

- **Pepal's vision** is vision is a world in which inspired leaders from business, NGOs, and government work together to solve big social issues.
- **Pepal's mission** is to develop leaders who drive social change

The Pepal group comprises Pepal Foundation, a company limited by guarantee which received its charity registration on 31 August 2010, and its wholly owned trading subsidiary, Pepal Limited, a company limited by shares.

Pepal Foundation is a grant making body that raises funds from institutional and other donors to achieve its charitable objects, which are to:

- Advance health throughout the developing and emerging world; and
- Relieve poverty and other charitable needs within the developing and emerging world; and
- Advance any other purpose which is charitable according to the law of England and Wales.

In the year until 31 December 2020, Pepal Foundation has provided grants to Pepal's NGO partners, supported the delivery of the charitable Pepal executive training programmes which are run through Pepal Limited.

Pepal Limited is a for-profit entity which designs and implements the Pepal training programmes, and which supports the implementation of Pepal's activities.

2. Activities, Achievements, Performance

Charitable Objectives

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit. The trustees always ensure that the programmes and activities undertaken are in line with Pepal's charitable objectives and aims.

Pepal delivers its charitable objectives by:

- Connecting businesses, NGOs and government to work on projects in developing countries and emerging markets, which have a scalable and sustainable social impact.
- Providing capacity building executive training to leaders within NGOs and government in developing countries and emerging markets.
- Supporting the generation and testing of innovation ideas coming from the Pepal executive training programmes.
- Providing grants to Pepal's partner NGOs to implement charitable activities.

During 2020, Pepal's charitable objectives were delivered by staff who were employed by both Pepal Ltd and Pepal Foundation. The Programme Director is an employee of Pepal Foundation and Pepal Limited and a company director of Pepal Limited. The Programme Director is not a trustee nor member of Pepal Foundation.

At the start of 2020 Pepal had four staff (who were employed by both Pepal Ltd and Pepal Foundation) and two volunteer workers. During the year we reduced the team as a result of the pandemic and at the end of 2020 had three staff. In March 2020 Pepal relocated the international staff who were based in our countries of operation back to their home countries, additionally for several months all staff salaries taken to 80% and staff worked four days per week. No staff were furloughed in the 2020 year. The staff returned to our countries of operation in late 2020 / early 2021. Pepal plans to employ additional staff and volunteer workers in 2021. The small Pepal team is supplemented by external consultants and partners, and strong implementing NGO partners in the countries in which we operate.

Overview

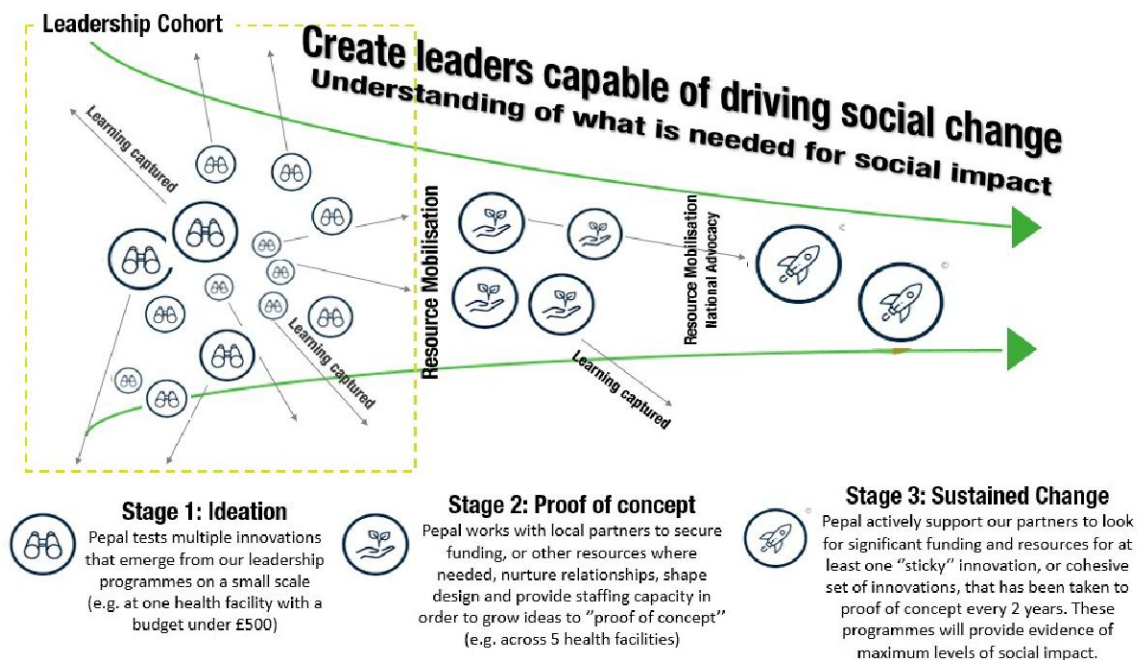
The table overleaf summarises the Group's achievements against plans for 2020. As the pandemic developed, we cancelled all planned in person programmes and other planned activities became increasingly challenging to implement. Therefore, in 2020, Pepal focused on retaining and motivating our staff team, sustaining and supporting our NGO partners in their response to the pandemic, maintaining strong relationship with our clients and ensuring financial stability. Despite the significant disruption, we were able to implement the activities outlined and prepare for 2021.

TRUSTEES' REPORT - PEPAL FOUNDATION FOR THE YEAR ENDED 31ST DECEMBER 2020

Plans for 2020	Outcomes during 2020
<p>Implement the 'NJIA Taskforce' programme.</p> <p>This programme brings together corporate participants with Pepal's NGO and government partners to develop innovative solutions to support the India and Tanzanian healthcare systems to overcome the challenges of COVID-19.</p>	<p>In 2020 the Pepal team worked closely with our corporate partners at F. Hoffmann-La Roche AG (Roche) to redesign the NJIA programme into an online offering called iNJIA. A catalyst to the success of this redesign was being one of five winners (out of 800 applicants) of the Brain Catalyst which took place as part of Roche's 'Partnering for Innovation' summit. Pepal and Roche, alongside our NGO partners, launched a pilot online programme in January 2021 focused in India on child malnutrition.</p>
<p>Deliver leadership development remotely to Baylor College of Medicine Children's Foundation – Uganda (Baylor-Uganda) staff working on the frontline of the COVID-19 response in Uganda.</p>	<p>During 2020 Pepal worked with thirteen alumni from Janssen Pharmaceutical Companies of Johnson & Johnson (Janssen) to design three leadership modules which could be taught online to Baylor-Uganda colleagues: Leading with Agility, Situational Leadership and Influencing Skills. These modules will be rolled out in 2021. In response to a request from our NGO partners Pepal also provided 30 frontline health staff in India with a two-part training in 'Personal and Team Resilience'.</p>
<p>Create a virtual Pepal offering for existing and new partners enabling us to continue to achieve impact during the pandemic but also to reach more people, in a way that is more cost-effective and has a lower environmental impact, post COVID-19.</p>	<p>During 2020 a significant amount of staff time was invested in researching ways to create engaging and impactful online experiences and redesigning our programmes to make them fully digital. In mid-2020 we made the decision not to trial a full online programme independently of our existing clients, as much of what we had designed could be trialled through planned programmes with current clients.</p>
<p>Host a virtual NJIA symposium to share impact data from the NJIA programme, maintain momentum and support from our NGO and government partners, and facilitate a global discussion on cervical cancer prevention best practices.</p>	<p>Due to the increased impact of the pandemic, we were unable to host a virtual NJIA symposium. We did however develop a website highlighting Cervical cancer best practices in low resources setting (www.cervicalcancerresources.org) and begun a comprehensive impact report detailing the success of the NJIA programme over the last five years.</p>
<p>Design a scientific exchange programme in East Africa for a corporate client with a view to launch in 2021.</p>	<p>In 2020 Pepal completed a comprehensive review of three potential geographic locations / health focus areas for a new scientific exchange programme. Due to a shift in focus for the team involved, this work was put on hold at the end of 2020.</p>
<p>Deliver, in partnership with the Cross Sector Leadership Exchange (CSLE), new initiative focusing on the critical area of leadership and anti-microbial resistance (AMR).</p>	<p>In February 2020, 16 leaders from the public sectors in Uganda and the UK came together for a five-day workshop in Uganda to develop their leadership skills and co-create low cost innovation ideas to combat AMR. The teams developed robust action plans to improve AMR stewardship, which received endorsement from District Health Officials and were implemented over the months following the immersion programme.</p>
<p>Investing in Pepal's systems, policies, communications and monitoring frameworks.</p>	<p>In 2020 Pepal finalised a new comprehensive strategy for 2020 to 2025. We also reviewed our financial policies, Gender and Equal Opportunities Policy, Risk Management Policies, Anti-Bribery, Anti-Fraud and Anti-Corruption Policy and Safeguarding policy. Pepal also had a full legal review examining fifteen distinct legal areas and giving a comprehensive picture of the legal health of Pepal. The review found that "overall, the legal health of Pepal is good". In early 2020 Pepal took part in a significant organisational audit in preparation for UK government funding. The majority of the recommendations from the audit were implemented during 2020.</p>

Pepal's Social Innovation Funnel

The Social Innovation Funnel shows how ideas originating during Pepal's leadership and innovation workshops are gradually filtered, refined, and tested to arrive at pilots that can be measured and then be passed on to external stakeholders to scale.



Achieving Impact

The majority of Pepal programmes were put on hold during 2020. However, Pepal were able to deliver a new Anti-Microbial Resistance (AMR) initiative in February 2021.

Uganda - Antimicrobial Resistance (AMR)

In February 2020, together with the Cross Sector Leadership Exchange (CSLE), Pepal launched a new focus for our Uganda Leadership Pioneers programme; to develop leaders at the frontline of the fight against antimicrobial resistance (AMR) to drive change at their health facilities in Uganda. Sixteen leaders from the public sectors in Uganda and the UK came together for a five-day workshop to develop their leadership skills and co-create low cost innovation ideas to combat AMR. Antimicrobial resistance (AMR) threatens the effective prevention and treatment of an ever-increasing range of infections.

As part of the programme the teams visited 29 health facilities in Rwenzori region, Uganda to understand the day-to-day challenges AMR places on the Ugandan health system and subsequently developed innovations and action plans. The outcome of the programme included new AMR committees at three hospitals, an increase in staff training around key issues, spot checks to improve prescriptions, increased hospital cleaning rounds, mentoring schemes and the production of communications material for health workers.

The programme had a significant impact, at Rukunyu Hospital for example prior to the programme five people in every 100 contracted sepsis, this rate has dropped to just 2 out of every 100 people over the months following the programme.

Programmes on hold in 2020

Tanzania and India – NJIA

Cervical cancer is a 93% preventable disease and is caused by the Human Papilloma Virus (HPV), the most common sexually transmitted infection. Cervical cancer primarily affects women in their childbearing years leading to significant losses for communities. Low cost screening and treatment can be delivered by primary health care facilities, and this saves lives.

The NJIA programme aims to improve awareness of, and access to, cervical cancer prevention services for women in both the remote Kagera Region of North West Tanzania and in the highly populated Varanasi division, Utter Pradesh state, India.

Cervical cancer is the most common cancer among women in Tanzania, and the leading cause of cancer related mortality among women aged 15 to 49 years. Each year about 7,300 new cases of cervical cancer are diagnosed in Tanzania: one of the highest incidences among women in Africa. India also has a very high burden; one woman dies of Cervical Cancer every 6 minutes. India – due to its large population - has the highest number of cervical cancer cases globally, and in the areas NJIA is operational there are two million women in need of screening. In both Tanzania and India, the potential for impact is significant.

In Tanzania, NJIA is a partnership, between Pepal, the Government of Tanzania and the INGO, ICAP. In India, our partners include the Government of India, Progressive Foundation and the INGO, JHPIEGO. NJIA started in late 2015, and by the end of 2020 we had created over 170 NJIA leaders from Tanzania and India, all of whom say they have made profound changes to their leadership style and that they would recommend NJIA to a colleague.

No NJIA cohorts took place in 2020, however as part of our ongoing NJIA programming, we put in mitigations for COVID-19 and were able to complete the five projects started in Tanzania by Cohort 9 (Nov 2019) during the 2020 year

The NJIA team is excited to launch our new online programme in both India and Tanzania in 2021.

Uganda - Leadership and Adolescent Sexual Health Programme

Our programme in Uganda builds on our previous collaboration with Janssen, focusing on adolescent sexual health. This area was chosen as 59% of Uganda's population are under 20, and young people are disproportionately affected by negative sexual and reproductive health outcomes, hindering progress towards the SDGs. In Uganda, half of 380 new HIV infections per day are among young people. Girls account for 66% of new HIV infections and in Kamwenge, the area where this project operates, where girls are seven times more likely than boys to get HIV. One in four teenage girls in Uganda have had a child or are pregnant, and 42% of all adolescent pregnancies are unintended.

In this context, Pepal, Janssen and Baylor-Uganda developed a unique leadership programme, which improves the leadership skills of adolescent peer leaders, frontline health workers and Baylor-Uganda staff, and supports the pilot of small-scale innovation projects to improve adolescent HIV and sexual health outcomes.

No adolescent health cohorts took place in 2020 but the team is excited to continue this work online programme in 2021.

3. Financial Review and Results

Results

Overall, the group made an operating deficit of £3,900 in 2020 compared to a surplus of £41,707 in 2019. The surplus on unrestricted funds was £149 with restricted fund balances reducing by £4,049. Overall, we are proud of these strong results given the level of disruption Pepal leadership programmes, and the organisation as a whole, faced in 2020.

Income

During 2020, the group continued to generate income from different sources including:

- Unrestricted fee income, via Pepal Limited, from companies for participation on Pepal's executive training programmes. This fee income was used to subsidise NGO and health care worker participation on the training programmes and to provide core funds to the group.
- Unrestricted fee income, via Pepal Limited, from companies for the design of the executive training programmes which combine leadership training with social impact.
- Restricted income for providing project implementation support in areas which included project coordination, grant management, donor reporting, and communication with multiple stakeholders.
- Restricted income for onward granting to Pepal's partner NGOs to support project activities.

In total, the group's income was £181,093 in 2020 compared to £417,336 in 2019. The decrease was due to a reduction in programming for 2020 caused by the COVID-19 pandemic. As a result, unrestricted income, comprising fee and other income from designing and delivering executive training programmes, decreased from £411,220 in 2019 to £171,781 in 2020.

Expenditure

Expenditure totalled £184,993 during the year (2019: £375,629), covering the costs of grants to local implementing partners, volunteer worker allowances and costs, salaries, programme development, programme implementation support and administration costs.

During the year, the group spent £12,585 of grant funds to support cervical cancer prevention work in Tanzania, including £6,812 of monies received from the Kahawa Foundation via the Silicon Valley Community Fund.

The Balance Sheet

At 31 December 2020, the balance sheet remained healthy with unrestricted reserves at £149,698 (2019: £149,549), sufficient to allow the group to meet its working capital needs. The trustees have retained the designated £20,000 for business development.

Restricted funds totalled £4,287 at 31 December 2020 (2019: £8,336), reflecting small grants from private individuals and foundations to be spent in 2021. Trade debtors at year-end were £31,900 (2019: £83,055), representing unrestricted amounts owing from corporate customers for programmes implemented at the end of 2020.

Post Balance Sheet Event – UK Aid Cuts

In early 2020, Pepal was awarded a UKAID grant for our work in with Janssen and Baylor-Uganda focusing on adolescent sexual and reproductive health in the Rwenzori region of Uganda. The grant, for £250,000 over three years, entitled 'Empowering Ugandan Peer Leaders: Leadership and Innovation for Improved HIV and Sexual Reproductive Health Outcomes' aimed to reducing new HIV infections and teenage pregnancies amongst 13,168 young people in Kamwenge District, Uganda over three years.

In May 2020, the UK Government made significant cuts to the UK's international aid budget and the fund above was terminated. In 2021 Pepal will seek opportunities for additional funding for this programme.

4. Plans for Future Periods

Plans for 2021

Strategic Objective 1: Deliver immersive and transformational leadership programmes across Uganda, Tanzania and India which develop corporate and local participants as agents of change.

Pepal is pleased to be launching several virtual leadership programmes in 2021, however the ongoing pandemic continues to have significant impact in our countries of operation which may impact our ability to carry out planned activities.

In Uganda we aim to:

- Deliver two online leadership programmes with our corporate partner, Janssen, and our NGO partner, Baylor-Uganda. This programme will have two streams:

Stream 1: The Covid-19 pandemic has seen remote working become a norm, accelerating the transition to a digitalised workspace. In response, we plan to digitalise the Caring Together (a set of management modules) content into a self-study course for Baylor-Uganda staff and district stakeholders.

Stream 2: In 2019, Janssen and Baylor-Uganda launched a leadership and adolescent health programme in Kamwenge and Kitagwenda districts, Uganda. Two of the innovation ideas that were trialled in 2019 proved particularly

promising: school outreach and training church leaders to be adolescent Sexual and Reproductive Health ambassadors. We aim to introduce scale innovations to more health facilities in the same districts and develop a proof of concept.

- Explore funding opportunities and new partners to support our programme focused on antimicrobial resistance (AMR) in partnership with the Cross Sector Leadership Exchange (CSLE).
- During 2020, Pepal worked with alumni from Janssen to design three leadership modules which could be taught online to Baylor-Uganda colleagues. These modules will be rolled out in 2021.

In Tanzania we aim to:

- Deliver at least three cohorts of iNJIA, our online leadership programme run in partnership with Roche and focusing on cervical cancer. We will also expand NJIA into a new region of Tanzania, Pwani, whilst continuing work in Kagera region.

In India we aim to:

- Launch the first iNJIA online leadership programme focused on child malnutrition.
- Continue to build our partnerships with key NGOs including Progressive, JHPIEGO, PSI and PATH.

Strategic Objective 2: Support the testing of innovative ideas generated from our leadership programmes that lead to at least one scalable solution per country per year.

- In 2021, around 17 innovations will be generated from the iNJIA programme and will be tested and evaluated across India, Tanzania and Uganda.
- The Janssen online programme will focus on scale up of successful innovations which have been tested in previous years.
- In 2021, we will continue, with the support of the Kahawa Foundation, to trial a new treatment option for cervical cancer taking it to proof of concept stage.

Strategic Objective 3: Share evidence, knowledge and learning from our programmes and demonstrate we are influencing the collective mindsets of donors, governments, corporates, NGOs specifically around the importance of effective leadership for social change.

- In 2021 we will launch our 'NJIA impact report', detailing the programme's successes between 2015 and 2020.
- We also plan to launch a new cervical cancer resources website (www.cervicalcancerresources.org) which will showcase successful NJIA innovation and ideas and cervical cancer resources from other NGOs working in low resource settings.

Strategic Objective 4: Continue to develop our funding, partners, people, and systems to ensure excellence in everything we do.

- We will continue to develop new business with both existing clients and new clients.
- We will further develop our framework for measuring Pepal's social impact contribution, in particular our capacity to monitor and evaluate the leadership outcomes.

5. Going Concern

Pepal has long term relationships with its corporate partners which have allowed it to work with its corporate partners to develop new products and work streams and secure income during 2020 despite the impact of COVID-19. This together with cost reductions and strong reserves ensures that the organisation is financially sound. The trustees support the organisational strategy for 2021 and is confident that the organisation will emerge stronger than ever from the COVID-19 crisis. The trustees therefore believe that the company has adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

6. Policies and Objectives

Grant-Making Policies

Pepal pro-actively seeks developing country and emerging market NGO partners and is also open to applications. NGO partners are chosen because of their strategic fit with Pepal's corporate partners, their ability to implement social change initiatives, and their openness to working with the private sector. All NGO partners must demonstrate sufficient financial security to reasonably commit to a long-term partnership with Pepal.

Pepal signs multi-year framework agreements with its NGO partners. These outline broad objectives of the partnership. Specific activities, including subsidised participation in the Pepal executive training programmes, are governed by individual contracts.

Pepal Foundation receives small grants for supporting beneficiary activities which it either spends directly on project activities or distributes via small project agreements with its implementing partners.

Pepal Foundation holds its cash in its banks – HSBC, Barclays Bank Uganda and MoneyCorp - in the currency which matches the expected expenditures of the group. Pepal Limited has accounts in HSBC and Moneycorp. Global Reach is used to purchase “exotic” currencies which cannot be purchased through the normal banking system, such as Tanzanian Shillings.

Reserves Policies

The trustees aim to hold as unrestricted general funds an amount which is equivalent to one third of the unrestricted annual expenditure in order to provide sufficient cash to meet the operational needs of the organisation. Before accepting any restricted grant, which relies on pre-funding activities, the

trustees will assess whether the group has sufficient unrestricted general funds to meet operational needs.

The level of unrestricted general funds increased from £149,549 on 31 December 2019 to £149,698 on 31 December 2020, compared to a targeted level of reserves of £122,123 in 2019 and £57,210 in 2020. The Group therefore had, at 31 December 2020, £92,488 excess reserves which will be drawn down in 2021 to allow the organisation to meet the challenges of COVID-19 and invest in business development.

The trustees designated, in 2018, £20,000 of the unrestricted reserve towards business development with a view to growing the organisation. With careful financial management, these funds were not required in 2020. However, the trustees propose that we maintain this fund to support ongoing business development work and the organisation's response to COVID-19 and to continue business development.

The trustees continue to closely monitor the cash flow needs of the group.

7. Structure, Governance and Management

Governing Document

Pepal Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 1st July 2009. It is registered as a charity with the Charity Commission. On 31 December 2020 there were five trustees.

Appointment and Induction of Trustees

Trustees are appointed by the members as set out in the Memorandum and Articles of Association. The trustees of Nepal Foundation have been selected to bring a range of skills relevant to the charity. Together, the trustees bring skills in grant-making, finance, law, human resources, international development, and business.

In January 2020, Julie Saunders who founded the organisation in 2009 and has been Executive Director for the past 10 years replaced Jane Waterman as Chair of the Board.

Organisation

All trustees are members of the Company and the Trustee Board which comprises between three and 12 members. Together, the trustees take overall responsibility for the strategy and finances of the Charity and for ensuring its effective management. The trustees also oversee the performance and financial position of Nepal Limited. During the year until 31 December 2020, the trustees of the Charity met regularly. Similarly, the directors of Nepal Limited have met regularly.

Nepal Limited is managed by the Programme Director and three other staff members. The work of the group is supported by volunteer workers in the UK, Uganda, Tanzania and India as well as strategic NGO partners, independent specialists and independent academic faculty.

Related Parties

None of the trustees received remuneration directly for their work as trustees of Pepal Foundation.

Pay Policy for Senior Staff

The directors consider the trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the Group on a day to day basis.

The pay of the Programme Director and Programme Manager is reviewed regularly and reflects funds available, past contributions to the organisation, the level of risk that the organisation is exposed to and market rates. The trustees believe that management remuneration is still below market levels.

Risk Management

The trustees, together with the directors of Pepal Limited, have identified the risks to which the group is exposed and put in place risk mitigation strategies. During the year, the trustees updated the risk management framework and have grouped the risks into five areas:

- *Financial*, including fraud, financial monitoring, the failure to make the group financially viable and/or short-term cash problems.
- *Governance and compliance*, including healthcare compliance, overall compliance, GDPR and the effectiveness of our governance structure.
- *Strategic*, including knowledge management, our ability to grow with a small staff team, overdependence on a small number of key clients and reputational risk.
- *Human resources*, including staff health and well-being and attracting and retaining key staff.
- *Security and safeguarding*, for both participants and staff.

We continue to place a high emphasis on safeguarding. We have a policy of zero tolerance towards any deliberate harm of others, particularly children, by our representatives (whether staff, volunteers, or others). We have safeguarding policies in place and we train our staff and volunteers. We remain committed to transparency around safeguarding issues. In 2020 we logged one safeguarding concern. This concern was discussed with the chair of the board and the safeguarding lead. No concerns were deemed as 'serious incidents' therefore no reports were made to the Charity Commission. We recognise under-reporting within the sector is a major barrier to tackling sexual exploitation and abuse; we are working with our staff and partners to ensure that all incidences, no matter how minor, are reported. We will continue to monitor, report, and investigate any safeguarding incidents and take action where necessary.

The trustees, together with the directors of Pepal Limited, have undergone a thorough risk analysis to assess the risks and to put in place risk mitigation strategies. During 2021, the trustees will continue to monitor the risks to which the group is exposed and to review the Group's risk management strategies.

8. Trustees Responsibilities in Relation to the Financial Statements

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

Company and Charity Law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period.

In preparing these financial statements, the Trustees are required to:


- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on:

and signed on their behalf, by:



Julie Saunders (Chair of Board)

22 September 2021

INDEPENDENT EXAMINER'S REPORT – PEPAL FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2020

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2020 which are set out on pages 16 to 25.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Date: 27 September 2021



Susan Robinson BA, FCA, DChA

Kreston Reeves LLP

Chartered Accountants

Second Floor, 168 Shoreditch High Street, London, E1 6RA

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES: PEPAL FOUNDATION
(Incorporating income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2020

Registered Number: 06949484; Charity Number: 1137688

		1 Jan 2020 to 31 Dec 2020			1 Jan to 31 Dec 2019
	Notes	Unrestricted Funds (£)	Restricted Funds (£)	Total (£)	Total (£)
Incoming resources	2				
<i>Incoming resources from charitable activities:</i>					
Charitable income		171,397	9,312	180,799	411,565
Other trading income		384	0	294	5,771
Total Incoming resources		171,781	9,312	181,093	417,336
Resources expended					
Charitable activities	5, 15,18	171,632	13,361	184,993	375,629
Total resources expended	5, 6	171,632	13,361	184,993	375,629
Net(outgoing)/incoming resources		149	(4,049)	(3,900)	41,707
Net movement in funds		149	(4,049)	(3,900)	41,707
Total funds brought forward at 31 Dec 2019		149,549	8,336	157,885	116,178
Total funds carried forward at 31 Dec 20	11	149,698	4,287	153,985	157,885

There are no recognised gains or losses other than those disclosed above.

All of the above results derive from continuing activities and there were no acquisitions in the period.

CONSOLIDATED BALANCE SHEET: PEPAL FOUNDATION

AS AT 31 DECEMBER 2020

Registered Number: 06949484; Charity Number: 1137688

	Notes	Group (£)		Charity (£)	
		31/12/20	31/12/19	31/12/20	31/12/19
Fixed assets					
Tangible assets	8	-	-	-	-
Investment in subsidiaries	14	-	-	1	1
		-	-	1	1
Current assets					
Amount due from subsidiary	9	-	-	36,117	90,783
Other debtors	9	32,859	86,450	(223)	(77)
Cash at bank and in hand		124,126	74,905	119,990	68,858
		161,355	161,355	159,564	159,564
Creditors					
Amount falling due within 1 year	10	3,000	2,875	1,900	1,680
Deferred income	10a		595		
Net current assets		153,985	157,885	153,984	157,884
Total assets less current liabilities		153,985	157,885	153,985	157,885
Funds					
Unrestricted general funds		129,698	129,549	129,698	129,549
Designated business development fund		20,000	20,000	20,000	20,000
Restricted general funds		4,287	8,336	4,287	8,336
Total funds	11	153,985	157,885	153,985	157,885

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the period in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2019 and of its net incoming resources/resources expended for the year then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the company.

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 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements were approved by Trustees on 22 September 2021 and signed on their behalf, by:



Julie Saunders (Chair)

The notes on pages 19 to 25 form part of these financial statements.

CONSOLIDATED CASH FLOW: PEPAL FOUNDATION FOR THE YEAR ENDING 31 DECEMBER 2020

Registered Number: 06949484; Charity Number: 1137688

	Notes	For the year ending 31 December 2020	For the year ending 31 December 2019
	12		
Cash flow from operating activities (£)			
Net cash provided by operating activities		49,221	28,183
Cash flow from investing activities (£)			
Purchase of equipment			
Change in cash and cash equivalents for the year (£)		49,221	28,183
Cash and cash equivalents brought forward (£)		74,905	46,722
Cash and cash equivalents carried forward (£)		124,126	74,905

1. Accounting policies

The principal accounting policies, all of which have applied consistently throughout the period are set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard 102 (effective 1 January 2016). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities", published in October 2019, Charities Act 2011, applicable accounting standards and Companies Act 2006.

The Statement of financial activities (SOFA) and Balance Sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary have been consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

Public Benefit

Pepal Foundation meets the definition of a public benefit entity under FRS102.

Basis of consolidation

The financial statements consolidate the accounts of Pepal Foundation and all of its subsidiary undertakings ('subsidiaries').

The charity has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the period dealt with in the accounts of the charity was a deficit of £3,900.

Company status

The charity is a company limited by guarantee registered in England and Wales with registered address 244 Kilburn High Road, Kilburn, London, NW6 2BS. The members of the company are the Trustees named on page 2 of this report. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Fund accounting

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Incoming resources

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract or where entitlement to grant funding is subject to specific performance conditions. Grant income included in this category provides funding to support

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: PEPAL FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2020

programme activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Deferred Income

Income or grants received in advance are held in deferred income, either as part of unrestricted or restricted funds, and carried forward to future accounting periods to be released when measureable stages of work have been completed, approved or certified. Any grants restricted to future accounting periods are deferred and recognised in those accounting periods.

Creditors and provisions

Creditors and provisions are recognised when the charity has a present obligation resulting from a past event that will probably result in the transfer funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised that the settlement amount after allowing for any trade discounts too.

Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Governance costs include those incurred in the governance by the trustees of the charity's operating the charity assets and are primarily associated with constitutional and statutory requirements of operating the charity.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Foreign currencies

Transactions in foreign currencies are recognised at the rate of exchange at the date of the transaction. Monetary assets and liabilities are translated into sterling at the exchange rate on the balance sheet date. All exchange differences are recognised through the statement of financial activities. The charity does not own any non-monetary assets abroad.

Taxation

Irrecoverable VAT is not separately analysed and is charged to the statement of financial activities when the expenditure to which it relates is incurred and is allocated as part of the expenditure to which it relates.

The company is a registered charity and is exempt from income tax and corporation tax under s521 of the Income Tax Act 2007 and s466 of the Corporation Tax act 2007.

Tangible fixed assets and depreciation

Tangible assets are stated at cost and depreciated over their useful economic lives at the 33% per annum. All assets with a purchase value above £2,000 are capitalised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: PEPAL FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2020

Investments

The investment in the subsidiary is shown at historic cost.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Whilst the impact of the COVID-19 pandemic has been assessed by the Trustees, so far as is reasonably possible, due to its unprecedented impact on the worldwide economy it is difficult to evaluate with any certainty the potential outcomes on the Charity's future activities. However, taking into consideration the Charity's level of reserves, the Trustees believe that the Charity will be able to continue in operational existence for the foreseeable future.

Significant judgements and estimates

No significant judgements have had to be made by management in preparing these financial statements.

2. Income

<u>Group Income (£)</u>		<u>to 31 Dec 2020</u>	<u>to 31 Dec 2019</u>
Restricted Grant Income	Kahawa Foundation	6,812	6,116
	Private Donations	2,500	0
	<i>Total Restricted</i>	<i>9,312</i>	<i>6,116</i>
Programme Income		171,397	405,449
Other income		384	5,771
	<i>Total Unrestricted</i>	<i>171,781</i>	<i>411,220</i>
		181,093	417,336

<u>Charity Income (£)</u>		<u>to 31 Dec 2020</u>	<u>to 31 Dec 2019</u>
Restricted Grant Income	Kahawa Foundation	6,812	6,116
	From Pepal Limited	12,092	68,238
	Private Donations	2,500	
Other Income		294	5,771
Gift Aid Income from subsidiary		80,515	134,996
		102,213	215,120

The income has been applied to improving the efficiency and effectiveness of organisations carrying out charitable activities in developing countries.

93% (2019: 99%) of the income of the group derives from outside the UK.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: PEPAL FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2020

3. Surplus of resources for the year

Excess of expenditure over income in the group is stated after charging:

	to 31 Dec 2020	to 31 Dec 2019
Trustees' Emoluments (£)		-
Depreciation on owned Assets (£)		-
Independent Examiners Fees (£)	3,865	1,794
	3,865	1,794

The group surplus for the period was £3,900 (2019: net surplus £41,707)

4. Employees

	to 31 Dec 2020	to 31 Dec 2019
<i>Total Staff Costs</i>		
Wages and salaries (£)	79,101	78,510
Employers National Insurance (£)	1,082	1,681
Employers Pension	1,033	959
Total	81,216	81,150
Average number of employees (Pepal Ltd & Nepal Foundation)	4	3
Directors Emoluments (Pepal Ltd & Nepal Foundation) (£)	£37,333	£42,500

Key management personnel remuneration in the year was £37,333 (2019: £42,500).

5. Breakdown of cost of charitable activities

	Activities undertaken directly (£)	Support costs (£)	Total (£)	Total (£)
	1 Jan 20 to 31 Dec 2020	1 Jan 20 to 31 Dec 2020	1 Jan 20 to 31 Dec 2020	1 Jan 19 to 31 Dec 2019
Programme development	2,199	18,354	20,553	22,598
Programme implementation	83,225		83,225	254,769
<i>Uganda</i>	17,426		17,426	61,523
<i>Tanzania</i>	41,123		41,123	119,882
<i>Myanmar</i>	0		0	6
<i>India</i>	24,676		24,676	73,358
Programme salaries	65,351	15,865	81,216	98,262
Total	150,775	34,219	184,994	375,629

In 2020 the expenditure on charitable activities was £184,993 (2019: £375,629) of which £171,632 (2019: £366,370) was expenditure from unrestricted funds and £13,361 (2019: £6,116) was expenditure from restricted funds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: PEPAL FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2020

6. Breakdown of Support Costs by Activity (£)

	to 31 Dec 2020	to 31 Dec 2019
Finance	4,194	7,348
Direction	23,048	20,479
Property	1,160	4,994
Governance	5,817	4,308
	34,219	37,129

7. Corporation Tax

As a registered charity, the company is not liable to corporation tax on its wholly charitable activities.

8. Tangible Fixed Assets

The charity and group have no fixed assets.

9. Debtors (£)

	Group		Charity	
	1 Jan 20 to 31 Dec 2020	1 Jan 19 to 31 Dec 2019	1 Jan 20 to 31 Dec 2020	1 Jan 19 to 31 Dec 2019
VAT debtor	620	394	0	0
Amounts due from subsidiary	-	-	36,117	90,783
Advances	339	3,001	(223)	(77)
Trade debtors	31,900	83,055	0	0
Total	32,859	86,450	35,894	90,706

10. Liabilities- amounts falling due within 1 year (£)

	Group		Charity	
	1 Jan 20 to 31 Dec 2020	1 Jan 19 to 31 Dec 2019	1 Jan 20 to 31 Dec 2020	1 Jan 19 to 31 Dec 2019
Trade creditors	-	-	-	-
Accruals	3,000	2,875	1,900	1,680
VAT creditor	-	-	-	-
Total	3,000	2,875	1,900	1,680

10a. Deferred income (£)

	Group		Charity	
	1 Jan 20 to 31 Dec 2020	1 Jan 19 to 31 Dec 2019	1 Jan 20 to 31 Dec 2020	1 Jan 19 to 31 Dec 2019
Balance brought forward	595	595	-	-
Incoming resources received:				
<i>Unrestricted Income</i>	171,186	411,220	80,809	140,766
<i>Kahawa Foundation</i>	6,812	-	6,812	-
<i>Pepal Limited Restricted Grants</i>	-	-	12,092	68,238
<i>Private Donations</i>	2,500	6,116	2,500	6,116
Income recorded in SOFA	(181,093)	(417,336)	(102,213)	(215,120)
Balance carried forward	0	595	0	0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: PEPAL FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2020

11. Statements of Funds

The note analyses the reserves of the group

	Bal b/fwd (£)	Income (£)	Expenditure (£)	Transfers between funds (£)	Bal c/fwd (£)
Unrestricted funds					
<i>General Fund</i>	129,549	171,781	171,632	0.00	129,698
<i>Designated Business Development Fund</i>	20,000	-	-	-	20,000
Restricted funds					
<i>Kahawa Foundation</i>	1,348	6,812	7,294	0.00	866
<i>Hoffmann M&E</i>	60	-	-	-	60
<i>Eleanor Rathbone Trust</i>	1,000	-	-	-	1,000
<i>Private donations</i>	5,928	2,500	6,067	0.00	2,361
	157,885	181,093	184,993	0.00	153,985

2020 restricted funds represent funds received from the Kahawa Foundation via the Silicon Valley Community Fund to support our cervical cancer prevention programme in Tanzania and private donations to support our programme in Uganda.

12. Reconciliation of net movement in funds to net cash flow from operating activities (£)

	For the year ending 31 December 2020	For the year ending 31 December 2019
Balance brought forward	74,905	46,722
Net income (expenditure) for the year as per SOFA	(3,900)	41,707
Adjustment for:		
<i>Depreciation</i>	-	-
<i>Decrease/(increase) in debtors</i>	53,591	(12,873)
<i>Increase/(decrease) in creditors</i>	125	(651)
<i>Increase/(decrease) in deferred income</i>	(595)	-
Net cash provided by operating activities	49,221	28,183
Investment in fixed assets		
Balance carried forward	124,126	74,905

13. Company limited by guarantee

The charity has no share capital but instead is limited by guarantee, each member being committed to contribute a maximum of £1 in the event of a winding up.

14. Investment in subsidiaries

The charity, Pepal Foundation (charity number: 1137688) has investments in subsidiaries as follows:

Pepal Limited (£)	<u>1</u>
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The investment of £1 represents the whole of the issued share capital, which is made up of £1 ordinary shares of Pepal Ltd, a company incorporated in England and Wales (company number 06950246).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: PEPAL FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2020

15. Pepal Ltd – Summary profit and loss account (£)

	1 Jan 2020 to 31 Dec 2020	1 Jan 2019 to 31 Dec 2019
<i>Income</i>		
Programmatic fee income	171,487	405,449
Total Income	171,487	405,449
<i>Expenditure</i>		
Programme development and marketing	657	4,640
Programme implementation	110,776	334,353
Programme salaries	37,854	44,667
Support costs	22,200	21,789
Total Expenditures	171,487	405,449
Profit on Ordinary Activities	0	0

16. Trustees and other related parties

No non-executive director of Pepal Ltd received emoluments (2019: £nil).

No trustees received remuneration for their role in Pepal Foundation (2019: £nil).

No trustees received expenses (2019: £nil).

The Charity had no related party transactions during the year under review.

17. Operating leases

The group had no annual commitments under non-cancellable operating leases.

18. Analysis of grants

The charity has made the following grants to institutions:

	2020	2019
Grants to Institutions (£)		
Baylor-Uganda	2,860	4,395
Pepal Foundation (Tanzania)	31,975	75,661
Progressive Foundation (India)	21,664	23,147
Nyasohoji Tanzania	0	5,429
Total (£)	56,500	108,632

19. Analysis of net assets between fund

Current Year - 2020

	Unrestricted Funds (£)	Restricted Funds (£)	Total Funds (£)
Fixed Assets	0	0	0
Current Assets	152,698	4,287	156,985
Creditors falling due within 1 year	-3,000	0	-3,000
Total Net Assets	149,698	4,287	153,985

Previous Year - 2019

	Unrestricted Funds (£)	Restricted Funds (£)	Total Funds (£)
Fixed Assets	0	0	0
Current Assets	153,019	8,336	161,355
Creditors falling due within 1 year	(3,470)	0	(3,470)
Total Net Assets	149,549	8,366	157,885