

pennyappeal

ANNUAL ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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ABOUT US

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

Our aims are simple - to transform lives and empower communities through effective immediate aid and long-term sustainable projects.

Our work is inspired by the teachings of Islam, the uncompromising valuation of human life, and the spirit of selflessness advocated by the following Qur'anic verse:

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

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

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

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





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A YEAR OF RESILIENCE AND IMPACT:

CEO'S REPORT FOR FINANCIAL YEAR 2022

Dear Supporters and Stakeholders, I'm delighted to present my inaugural CEO report for Penny Appeal, which encapsulates our journey throughout the financial year 2022.

Having taken the reins as CEO in February 2023, I've found the subsequent months to be both challenging and incredibly rewarding. I feel truly honoured to steer this remarkable organisation forward, as we amplify our positive impact on vulnerable communities worldwide.

2022 was a year in which we returned to normal programmatic delivery after the Covid-19 pandemic. As restrictions were lifted around the world, we sought to re-evaluate our programmes priorities, working extensively to respond to emergencies such as the Pakistan floods and ongoing Syria crisis.

Simultaneously, we adopted a laser-focused approach to amplify our impact communication. Through real-time updates delivered directly to our donor base via emails, SMS, and various feedback channels, we ensured an unparalleled level of transparency and engagement.

In navigating the complexities of a post-pandemic world, we emerged not just to 'normalcy' but to a heightened standard of excellence in our mission to make a profound and lasting difference in the lives of those who need us most.

From the onset of my tenure, I had the fortune to work alongside a team who are not just committed, but deeply passionate about our cause. We are actively working to enhance our business processes in alignment with our dedication to good governance.

We have made significant progress, addressing challenges and refining our long-term strategic vision along the way. We also undertook an exhaustive review of our operations, reinforcing our pillars of transparency, accountability, and tangible impact.

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A YEAR OF RESILIENCE AND IMPACT:

CEO'S REPORT FOR FINANCIAL YEAR 2022

Answering the Call: Emergency Response and Beyond

Having had the honour to be a core part of Penny Appeal's Emergency Response team for many years, I'm proud of our swift and efficient delivery of crucial aid to those in crisis situations.

A poignant example from this past year are the catastrophic floods in Pakistan, the legacy of which continue to hold so much of the country back. This disaster inflicted hardships not seen for a generation, displacing countless families and causing extensive damage.

Yet, Penny Appeal's ground teams were amongst the first to respond, supplying essentials like food, clean water, and temporary shelter to those impacted. Our ability to act promptly in such crises stands as a testimony to our dedication to alleviate human suffering.

Post-emergency, we initiated the 'Rebuilding Pakistan' campaign, aimed at offering sustainable relief to those impacted by the floods.

Thanks to the unwavering support from our donors, we constructed permanent homes, allowing families to rebuild their lives in secure and stable environments.





A YEAR OF RESILIENCE AND IMPACT:

CEO'S REPORT FOR FINANCIAL YEAR 2022

Financial Highlights and the Road Ahead

In terms of finances, our organisation generated an income of £23,086,238 for the year 2022, up from £16,188,549 for the prior reporting period of May-December 2021. Again, this speaks volumes about the continued support we receive from our generous donors. Our expenditure on charitable activities stood at £15,273,026, contrasted with £13,115,773 from the previous year.

In 2022, our program timelines extended into 2023, resulting in a slight decrease in charitable spending as a percentage of revenue. However, we anticipate an above-average expenditure in 2023. Additionally, we made strategic investments in governance, infrastructure, and technical advancements during 2022. These initiatives are designed to strengthen our systems, improve controls, and streamline processes, ultimately maximizing our impact for those we served.

Political and economic shifts in the Western world coupled with the lasting effects of the global pandemic on the developing world, means charities face a new and uncertain terrain. As we cast our eyes towards the future, we renew our dedication to serving those in need, whether close to home or across borders.

The hurdles might be big, but our resolve is bigger. With your ongoing support, we will continue to confront these challenges head-on, striving to enrich the lives of those who rely on us. Thank you for entrusting Penny Appeal with your support, and for being an integral part of our mission to transform small change into big difference.

Warm regards,

Ridwana Wallace-Laher
CEO, Penny Appeal



A HEARTFELT MESSAGE FROM THE FOUNDER

I'm truly honoured to share with you the remarkable achievements and milestones of Penny Appeal during the 2022 financial year.

This year was incredibly significant for us as we expanded, adapted, and redoubled our efforts towards fulfilling our mission, transforming small change into a big difference for those who need us most.

Reflecting on our journey, I am filled with pride at the progress we've made and the lives we've touched.

My heartfelt gratitude goes out to our dedicated board, committed staff, generous donors and inspirational volunteers.

Each has rallied behind our charitable initiatives throughout 2022, empowering us to assist millions of people over the last 14 years. Together we are the small change that makes a big difference.

BE THE (SMALL) CHANGE

Here at Penny Appeal, we firmly believe in the potential for every contribution, little or large, to make a monumental impact.

Our outreach has extended from local communities in Yorkshire all the way to Yemen, thanks to supporters like you.

A particular highlight was our 2022 Ramadan campaign, themed 'Come Together'. After the pandemic forced us to socially isolate, extracting so much of the communal dimension of the previous Ramadan, this year's theme could not have been more timely.

Finally, families were able to share iftars and mosques were open for Tarawih once again. In an increasingly divided world, the need to build unity and foster compassion within our communities has never been more pressing.



This driving principle has been at the heart of our work throughout the year, healing from the layers of trauma the pandemic has wreaked on communities, not just in the UK but around the world.

As we remain steadfast in our mission, the ongoing dedication of each of our supporters fuels our determination. I invite you to continue your journey with us as we strive to create a fairer, more equitable, and compassionate global community.

A NEW HOME – A NEW START

Embracing change is part and parcel of growth and progress at Penny Appeal. 2022 heralded significant changes for us, including the inauguration of our new headquarters, the Penny Appeal Campus in Wakefield.

This campus serves not only as our operational hub but also as a collaborative space for local community organisations, doubling up as a source of sustainable funding for Penny Appeal's operations through the rent we collect from partners housed throughout our Campus.

The road ahead is filled with challenges, but also abundant opportunities. We have reached millions and there are still millions more who need our help.

Every life matters and every life counts. With your unwavering support, we're poised to continue to make a lasting impact in the lives of the vulnerable, both here in the UK and across the world, for years to come.

Thank you for being an invaluable part of the Penny Appeal family, and for your enduring commitment to our shared vision.

Adeem Younis
Founder & Trustee,
Penny Appeal



A WARM WELCOME FROM THE CHAIRMAN:

NAVIGATING THROUGH CHANGE, ELEVATING IMPACT

Dear Friends and Supporters,

It's with immense pleasure that I welcome you to Penny Appeal's 2022 Annual Report. As the Chair of the Board of Trustees, the privilege and honour are mine to guide you through an inspiring journey, our collective efforts to drive small change into a big difference for those who need us most.

Strengthening Foundations: A New Chapter in Governance and Leadership
We find ourselves at an important juncture in our journey. As reported in past Annual Reports, the Charity has continued to cooperate and liaise with the Charity Commission. Following this process the Charity Commission issued an Official Warning, in September 2023.

In line with their recommendations, we have embarked on a rigorous review of our governance, focusing on areas such as historical record-keeping and contract management.

We are committed to working closely with them as part of our continuous commitment to the highest level of governance, best practice and robust controls.

Far from being a setback, we have welcomed this invaluable opportunity for introspection and growth. We've not only implemented key corrective actions but have also embarked on a broader transformative journey, marked notably by the appointment of a renewed, diverse, and exceptionally talented Board of Trustees.

Equally groundbreaking is the appointment of our new Senior Leadership Team (SLT), led by an extraordinary CEO—the first Muslim woman to hold such a high-ranking position in the Muslim charities sector.





A WARM WELCOME FROM THE CHAIRMAN:

The new team, along with the board, are fully committed to a continuous journey of governance excellence. As part of this, we have:

Ensured continuous improvements to our procurement and tendering processes when assessing the value of contracts. The team will continue to work closely with our sub-committees in ensuring strong governance is implemented.

Strategically retained two properties as long-term assets to fortify our financial standing and advance our charitable objectives.

Initiated a comprehensive conflict of interest policy, designed by external experts, to guarantee utmost integrity in our operations. The Board of Trustees and Senior Leadership Team are continuously working to address any actual and perceived conflicts and we recognise the development work this integral governance process necessitates.

Recognise that we must continue to strive for excellence and strengthen our governance processes. This will be achieved through reviewing, revising, and improving our policies and where necessary having independent audits to support our work.

LEARNING LESSONS, INSPIRING ACTION

Acknowledging past challenges has been humbling but instructive. Our commitment now lies in translating these lessons into actions that serve our communities better than ever.

This report highlights numerous programmes and initiatives, from delivering essential humanitarian aid to educational upliftment, that underscore our resolve to create a meaningful and lasting impact.

A WARM WELCOME FROM THE CHAIRMAN:

A Future Crafted by Shared Commitment and Unyielding Resolve

As we write this new chapter, your continued presence and support remain invaluable. Whether through financial contributions, volunteering, or advocacy, you are an irreplaceable part of the Penny Appeal family.

The diverse and impactful campaigns we have launched, from Morocco to Pakistan, speak volumes about what we can achieve together.

I invite you to explore this report, relish our joint achievements, and share our excitement for a future where compassion and humanity are the orders of the day.

Rest assured, our future actions will keep strengthening our organisation, enhancing our governance, and enriching the lives of those we serve.

In heartfelt appreciation,

Mohammed Jahangir
Mohammed Jahangir
Chair of the Board of Trustees



STRATEGIC REPORT

Penny Appeal was launched in 2009 with the objective of turning small change into BIG difference.

The Charity has grown rapidly and now has programmes in over 30 countries around the world. Whilst the fundamental vision and mission has not changed, it is recognised that we must continue to evolve to ensure that we are prepared for the next phase of our development.

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

This review work continued during the reporting period, to finalise revisions. All that we seek to do is built on a firm commitment to equal opportunities, inspired by the Islamic faith.

We seek to deliver an integrated and holistic approach to addressing poverty and inequality working closely with communities, by building strong community-level partnerships ensuring that the voices of those we work with are at the front and centre of what we do.



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— 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

— FIVE-YEAR STRATEGIC OBJECTIVES

1. Become the best-in-class Muslim charity
2. Raise £100 million for good causes
3. Be among the Times top 100 employers
4. Be the most recognisable Muslim brand globally

Our commitment to delivering high-quality programmes is at the core of our existence. From sustainable development projects to emergency relief efforts, each initiative is meticulously designed to create a lasting impact. By focusing on the quality of our programmes, we are not only meeting the immediate needs of communities but also contributing to our overarching vision of making a significant difference.

Contributing in particular to High-level Strategic Objectives 1 & 2, and also to Five-year Strategic Objective 1, our programmes in 2022 exemplified a steadfast commitment to excellence. Each initiative, whether addressing the urgent needs in the aftermath of the Pakistan Floods or participating in the long-term recovery of Syria through our Rebuilding Syria appeal, was meticulously crafted to meet the highest standards of impact and effectiveness.

By ensuring that our programmes are not only responsive but also sustainable, we are actively advancing our goal of becoming the best-in-class Muslim charity. Moreover, our Thirst Relief programme stands as a testament to our dedication to delivering high-quality solutions to pressing global issues. Our WASH efforts extend beyond immediate relief, addressing the fundamental right to clean drinking water while also improving access to education and food security. This initiative aligns seamlessly with our commitment to excellence, ensuring that the impact of our programs reaches far beyond the initial intervention. In tandem, Education First has been a beacon of transformative impact, breaking barriers and unlocking potential for countless children.

STRATEGIC REPORT

By constructing and refurbishing schools, providing educational resources, and promoting comprehensive welfare for vulnerable children, we not only meet the immediate educational needs but also contribute to sustainable community development.

This focus on education aligns with our dedication to delivering high-quality programs and, in turn, supports our aspiration to become the best-in-class Muslim charity. Additionally, our commitment to excellence extends to the heart of our communities, evident in our prison mentorships project.

By investing in the rehabilitation and reintegration of individuals within the criminal justice system, we contribute to the broader vision of delivering high-quality programs that prioritize the well-being and growth of people. Fundraising is not just a means to an end for us; it's a responsibility.

We strive to raise and disburse funds ethically and effectively, ensuring that every penny entrusted to us makes a meaningful impact. Our five-year objective of raising £100 million aligns with this commitment, reflecting our determination to do good on a larger scale. Our people are the heartbeat of Penny Appeal, and investing in them is investing in our future.

By nurturing talent, providing opportunities, and strengthening our technological infrastructure (which includes our new CRM system), we ensure the sustainability and growth of our mission.

Our dedication to our personnel and organisational structure is an embodiment of our strategic vision. Aiming to be among the Times top 100 employers is a testament to our dedication to our people and culture. By creating a workplace that fosters growth, diversity, and inclusivity, we not only attract the best talent but also contribute to the broader narrative of responsible and compassionate corporate practices.

In pursuit of recruiting a diverse and inclusive team, we have engaged both specialist recruiters as well as our own HR team to ensure candidates for vacant positions are drawn from the widest pool possible.

Our Performance and Development Review process ensures a bespoke level of support and monitoring for each colleague to help them grow and develop in their respective field. Additionally, our monthly 'Tea and Talk' all-staff meetings give colleagues from across the organisation the opportunity to present and showcase their work to our team across the UK.

We understand that our impact is not only measured in numbers but also in the strength of our family and brand. By fostering a sense of unity within the Penny Appeal family and working towards becoming the most recognisable Muslim brand globally, we amplify our reach and influence.

This collective strength is pivotal in achieving our long-term strategic goals. Our aspiration to be the best-in-class Muslim charity is more than a goal; it's a commitment to excellence.

Through innovation, transparency, and a relentless pursuit of improvement, we aim to set the standard for impactful humanitarian work within the Muslim charity sector.

As we reflect on our past accomplishments and look forward to the future, each programmatic endeavour is a step toward realizing our high-level and five-year strategic goals. With our vision as our guiding light, we are transforming aspirations into actions, turning small change into a big difference for those who need us most.



ADOPT A GRAN:

OFFERING A LIFELINE TO THE FORGOTTEN ELDERLY.

Tackling the Elderly Care Crisis: A Growing Concern

With an ageing global population, the crisis surrounding elderly care has become increasingly urgent. More and more of our elders find themselves in poverty and isolation, devoid of much-needed support. Enter our transformative 'Adopt A Gran' sponsorship programme. This essential safety net provides targeted assistance to elderly people in need.

Ranging from financial help to nourishing meals and admission to care homes, we make sure every elderly individual we serve lives in dignity and comfort. Fuelled by the generosity of our donors, we are committed to ensuring that no elderly person is overlooked or left vulnerable in the communities we impact.

A Lifeline in Punjab: Muhammad Ashraf's Journey

Meet Muhammad Ashraf, hailing from a modest village in Punjab. Though he's faced numerous hardships, he devoted his life to labouring and shepherding. When he most needed his son's support in his old age, he found himself abandoned and left to fend for himself. Occupying a small room and employed as a security guard, Muhammad Ashraf's deteriorating health made it impossible for him to sustain this role. Initially, he sought refuge in another care home but found neither the care nor the contentment he needed.

Enter Mr. Zakir, a compassionate resident of Penny Appeal's Adopt A Gran care home. He assisted Muhammad Ashraf in gaining a place in our specialised home. When he arrived, Muhammad Ashraf was speech-impaired, physically weak, and facing severe kidney issues.

Thanks to the tailored care he received from Penny Appeal, his condition has vastly improved. Today, he can engage in conversations, walk unaided, and is receiving ongoing treatment for his kidneys.

Muhammad Ashraf's heartfelt gratitude towards Penny Appeal's elderly home is immeasurable. He finds peace and comfort in the level of care he receives and offers prayers for his supporters, including each of our donors. His incredible turnaround stands as a shining example of the 'Adopt A Gran' programme's success.





EDUCATION FIRST:

UNLOCKING FUTURE POTENTIAL, ONE CHILD AT A TIME

The transformative power of education cannot be overstated.

It shapes individuals, communities, and indeed the fabric of society. Yet, it's a grim reality that nearly 60 million primary-aged children are deprived of this fundamental right. Socio-economic, cultural, and political barriers often prevent children from stepping into classrooms.

That's why at Penny Appeal, we're breaking down these barriers through impactful initiatives such as our OrphanKind programme, which offers scholarships, financial support and comprehensive welfare for families unable to afford the costs of vulnerable children.

Child labour is another alarming impediment to education. In the past, we've launched livelihood projects providing vocational training for parents, thereby enabling them to secure employment without compromising their children's education. One remaining significant hurdle is inadequate educational infrastructure, especially in disadvantaged communities.

This is where our Education First programme really shines, working across the world to construct and refurbish schools to not meet essential standards, but offer children the best possible education we can.

EDUCATION FIRST:

UNLOCKING FUTURE POTENTIAL, ONE CHILD AT A TIME

An Education Transformation: The Girls' Primary School in Multan District

Within our Education First framework, we recently upgraded a girls' primary school in Multan District, Punjab. Apart from the essential construction work, a critical aspect of the project was the emphasis on health & hygiene.

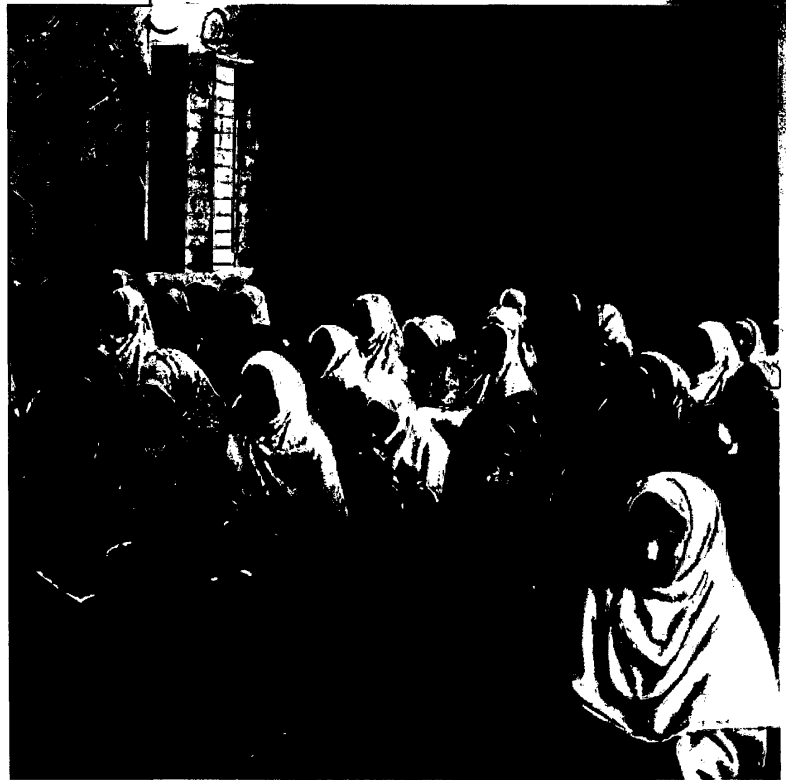
We energised the local community and rejuvenated the previously inactive health club at the school, where our team also conducted health and hygiene training sessions.

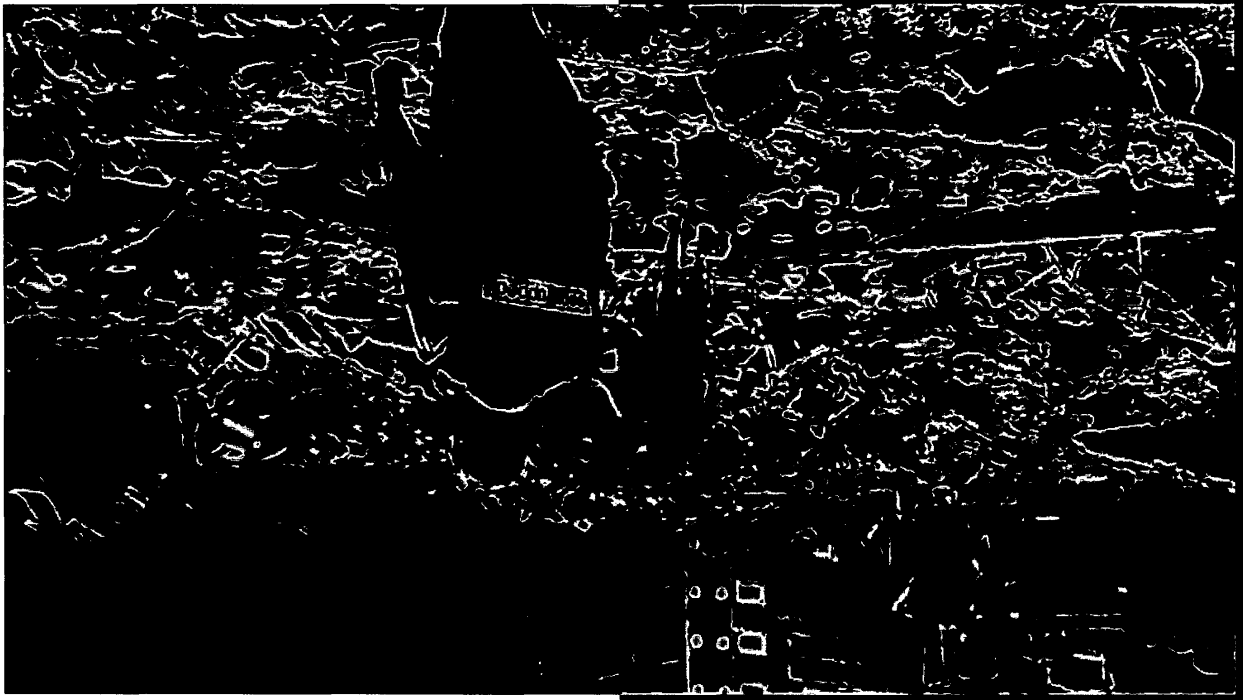
Aqsa's Journey: From Classroom to Community Hero

Take Aqsa, a 5th-grade student at one of our refurbished schools, for instance. Eagerly participating in health and hygiene discussions, she eagerly soaked in lessons on a range of issues, from water-borne diseases to dengue fever prevention.

Inspired, Aqsa then shared this newfound wisdom with young girls in her family and community, catalysing a hygiene movement among them.

Aqsa's passion for effecting positive change is nothing short of inspiring. We're thrilled she's dedicated to spreading awareness on health and hygiene, substantially enhancing the well-being of her community. This is the multiplying impact of Education First and a perfect distillation of how small change can make a big difference.





EMERGENCY RESPONSE:
WHEN SECONDS COUNT

EMERGENCY RESPONSE:

WHEN SECONDS COUNT

Always Prepared, Rapidly Responsive

At Penny Appeal, we're deeply committed to long-term, sustainable initiatives that make significant improvements to people's lives.

Nevertheless, when disaster strikes, we're poised to act swiftly, delivering emergency aid to save lives globally.

As a dedicated humanitarian organisation, we adapt our focus within each country to address the specific needs of communities impacted by crises.

Our approach goes beyond immediate relief; we utilise a dual-phase strategy to support affected communities, not just in survival, but also in their journey towards recovery.

In 2022, we spearheaded two new shelter-centric recovery appeals: Rebuilding Syria and Rebuilding Pakistan, the latter was initiated following the devastating floods in the region.

Both appeals have been instrumental in gathering funds to reconstruct infrastructure, offer shelter, and assist those struggling in these crises.



EMERGENCY RESPONSE:

PAKISTAN FLOODS: A CATASTROPHE STILL UNFOLDING

Beginning in late July 2022, relentless monsoon rains have unleashed untold destruction across Pakistan, affecting more than 33 million people.

Official data indicates over 1,700 lives lost, while the nation's planning minister estimates the damage to be at least £8.5 billion.

The country, already home to so many vulnerable communities, is bracing for food shortages that extend for years to come, marking this disaster as one of Pakistan's most calamitous periods.

Since the flood's onset, Penny Appeal has been actively operating in 13 afflicted districts. We've provided emergency meals to tens of thousands, supplied hundreds of thousands of litres of drinking water, and distributed essential hygiene and non-perishable items to hundreds of families.

Building on our experience from earlier flooding events, where we erected permanent shelters for fishing communities, we extended this initiative in 2022 under the Rebuilding Pakistan appeal.



REBUILDING PAKISTAN: FROM RUINS TO RESILIENCE



The harrowing impact of Pakistan's catastrophic monsoon floods is almost impossible to fathom.

These floods have claimed thousands of lives and destroyed millions of livelihoods. However, for those who have lost everything, this is not the end of their journey.

Through our Rebuilding Pakistan appeal, we've financed the construction of permanent brick residences to aid Pakistan's reconstruction efforts.

Each of these disaster-resilient homes is designed to shelter an entire family for life. We remain committed to offering long-term, sustainable solutions to those impacted by such calamities.

By working closely with local partners in Pakistan, we aim to ensure these homes secure a brighter future for families who have lost so much, empowering them to lead safer, healthier, and more prosperous lives.

EMERGENCY RESPONSE:

REBUILDING SYRIA: FOUNDATIONS FOR A SAFER TOMORROW

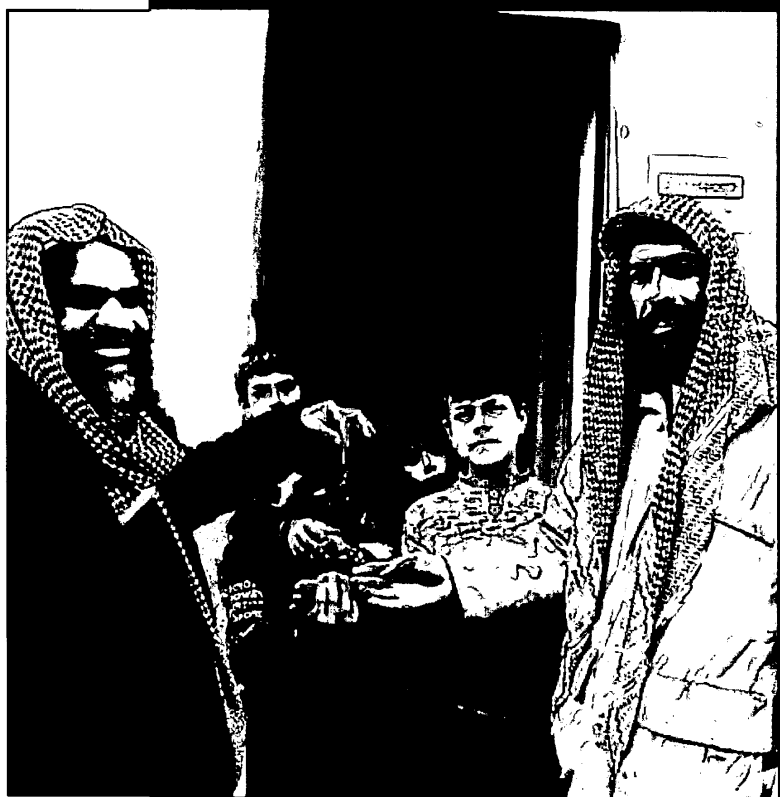
The Syrian conflict has lamentably touched the lives of millions.

Displaced by the turmoil, countless families are living permanently in precarious conditions where uncertainty of their futures looms large. Our Rebuilding Syria appeal aims to ameliorate the plight of war victims by offering them safe housing options as they endeavour to reconstruct their lives.

For those wrenched from the comfort of their own homes, these new residences provide crucial shelter and the promise of a more secure future.

Our commitment to delivering long-term, sustainable support is unwavering. By partnering with local organisations, we provide not just emergency relief but also sustainable recovery solutions.

We understand that responsibility is not just to provide emergency relief but to stand by communities as they work to regain their footing after the devastation of crises.





FEED OUR WORLD:

FROM HUNGER TO HOPE ACROSS CONTINENTS

Nourishing Lives, One Meal at a Time

Food unites us all, yet over 2 billion people around the globe grapple with hunger daily. Since its inception in 2013, Penny Appeal's Feed Our World programme has been a lifeline, delivering essential food aid to millions in Africa, Asia, and the Middle East, regions often ravaged by famine, conflict, and natural catastrophes.

But we don't stop at immediate relief. Our focus also lies in empowering families through sustainable farming practices and agricultural training for families in need. Donations to Feed Our World directly support nutritious meals, farming supplies, and skill-building for sustainable agriculture.

Every single donation has an extensive, positive impact on those who need it most. Fuelled by the commitment of our frontline partners, we are unwavering in our mission to build a future brimming with hope and food security for all.

A Second Chance: Asha's Story of Renewed Hope in Somalia

Asha, a 34-year-old mother, resides in the Kahda refugee camp in Somalia. The three months leading up to Ramadan 2022 were especially brutal for her family. Unforgiving droughts had robbed them of their possessions and left them struggling to survive.

This dire situation isn't unique to Asha; it's reflective of a broader crisis affecting all of Somalia, reducing many families to just one meal a day, if they're fortunate.

Amidst these challenges, Penny Appeal's donors rose to the occasion. They furnished Asha's children with wholesome meals, thereby safeguarding their well-being. The period of Ramadan marked the first time in months that Asha's family had access to substantial, quality food.

Asha was elated to provide her children with nutritious meals, particularly during the Eid celebrations when they broke their fast. Your support is a beacon of hope, enabling us to extend our reach and make meaningful, long-lasting changes in the lives of individuals like Asha and her family.

THE MOSQUE PROJECT: BRIDGING THE GAP:

More Than a Prayer Space: Mosques as the Lifeline of Communities

Mosques are not merely places of worship; they function as the beating hearts of Muslim communities, offering essential services and serving as social epicentres. Yet many rural Muslim communities are without dedicated spaces to practise and share their faith. Often they must conduct prayers in open areas earmarked for mosques but remain unbuilt due to financial constraints.

As a result, these communities also lack essential community centres for administration, prayer, and education. Penny Appeal is dedicated to building mosques in such communities, where the main sources of income are farming and livestock and where people often live below the poverty line. The construction of these mosques, funded by generous donations, makes a world of difference to these communities.

From Dream to Reality: How a New Mosque Transformed a Village

In the secluded village of Mardan District in Khyber Pakhtunkhwa, Mr. Hazrat Jan's lifelong dream of having a nearby mosque has finally come true. Living with his family in this rural location, the 44-year-old farmer had long yearned for a local place of worship. The dream seemed out of reach, given the village's limited financial means.

However, with Penny Appeal's backing, a brand-new mosque now stands just a stone's throw away from Mr. Hazrat Jan's home. This new facility offers a safe and convenient place for prayer, Quranic study, and Islamic education.

Before Penny Appeal's intervention, the nearest mosque was a long distance away, and a significant challenge for residents to reach, especially in extreme weather. Today, they can easily partake in daily prayers, including Jummah and Eid, in this well-equipped mosque.

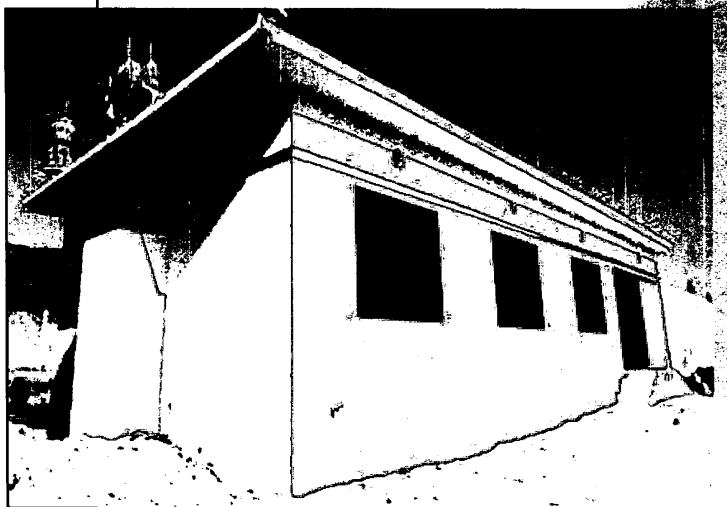
With features like a designated ablution area, proper electrification, a submersible water pump, and robust construction, the mosque has improved not only the accessibility of prayer but also the comfort and convenience of daily ablution rituals.

Empowering Communities

The construction of the mosque has done more than fulfil spiritual needs; it has also brought technical knowledge and skills to the community. Under the supervision of Penny Appeal and our local partners, villagers have gained valuable experience in construction techniques, contributing to their community's overall development.

Mr. Hazrat Jan can hardly contain his gratitude. He has been so touched by the generosity of Penny Appeal's donors and the positive transformation he has witnessed in his community.

For Mr. Hazrat Jan and his fellow villagers, the mosque is not just a building; it symbolises a community's aspirations made real. They remain eternally thankful for the support received and look ahead to a promising future, guided by faith and the altruism of Penny Appeal donors.





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OPEN YOUR EYES:

CLOSING THE GAP IN GLOBAL EYE CARE

Vision for All: Illuminating the Path Ahead

An estimated one billion people across the globe are grappling with preventable or treatable visual impairments. As the world's population burgeons, more individuals are faced with life-limiting vision challenges. Thankfully, many of these impairments are reversible through basic medical interventions.

Visual impairments have far-reaching implications. Adults find it difficult to maintain employment, parents are hampered in caring for their offspring, and the youth face compounded educational hurdles.

All of this condemns them to a life of darkness and ensnares them in an unrelenting cycle of poverty. Nonetheless, many of these situations could be circumvented with routine medical check-ups or simple procedures.

Penny Appeal's Open Your Eyes initiative is committed to extending quality eye care to isolated communities in the developing world. The programme accomplishes this through eye examinations, medications, provision of eyeglasses, and even surgical procedures, restoring sight and improving the quality of life for thousands.

Penny Appeal's Vision for a Better Tomorrow

At Penny Appeal, our focus remains on ensuring universal access to high-calibre eye care without the barriers of cost or geography. Through restoring sight, and consequently dignity and hope, Open Your Eyes seeks to disrupt the cycle of poverty and offer individuals a renewed opportunity for a brighter future.

Through the continued support of our donors our campaign continues to remain an ambitious effort to remedy the limitations imposed by visual impairments, enabling individuals to experience life's richness and complexities in all their beauty.

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ORPHANKIND:

A SAFE HARBOUR FOR VULNERABLE YOUNG LIVES

Transforming Lives, One Child at a Time

No child should face the agonising experience of losing their parents due to war, disease, or natural calamities. Yet, tragically, countless orphans find themselves in tragic situations that make thriving a distant dream. Enter our OrphanKind Programme, a haven of care, love, and support.

Through this flagship Penny Appeal initiative, we offer children an ladder up and out from poverty and the tools to craft brighter futures. From financial support and tuition-free education to parental counselling, health checks, hygiene training, learning assistance, and spiritual guidance, we're committed to walking beside these children every step of the way. Education is not a privilege but a fundamental right, and we're adamant about providing even the most vulnerable children with quality schooling and opportunities for social mobility.

A New Dawn: Khadija's Journey to Stability and Hope

Khadija's world was thrown into disarray at the tender age of six. A devastating accident took her father, leaving her mother grappling to make ends meet for their large family. The emotional and financial strain wreaked havoc on Khadija's mental health, leading to aggression and panic attacks.

However, Khadija's life took an uplifting turn after joining the OrphanKind programme. With the security of a nurturing environment, a maternal figure, sibling-like companions, and a structured routine, she has rediscovered emotional stability along with good health and happiness.

Our mission ensures that no child navigates life's challenges unsupported. We aim to offer every young soul the opportunity to flourish within a positive and caring environment. Khadija's transformation is a living testament to the phenomenal impact this initiative can have on vulnerable young lives, a small change that echoes a big difference for generations to come. In initiatives like OrphanKind, we manifest our unwavering commitment to creating a ripple of hope and transformation for those who need it the most.





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PENNY APPEAL AT HOME:

LOCAL LOVE, NATIONWIDE IMPACT

While Penny Appeal is renowned for its global efforts, we're equally committed to continuing to address pressing issues right here in the United Kingdom. Our domestic initiatives are a pivotal part of our mission to aid those in need, both locally and globally.

Community Kitchen: Driving Out Hunger, One Meal at a Time

One standout UK project in 2022 was our Community Kitchen food truck initiative, designed to tackle the growing concern of food insecurity among vulnerable groups across the UK. This mobile kitchen travels to diverse communities, serving hot and nutritious meals to those who need them most.

But the impact goes beyond just feeding people; the food truck cultivates a sense of community and solidarity. It offers not just a meal, it's service with a smile proving a welcoming environment for those grappling with isolation or hardship. Additionally, this initiative collaborates closely with local businesses and volunteers, taking a community-based approach to mitigate hunger and poverty.

Unlocking Potential: Prison Mentorships for Social Reintegration

2022 also saw Penny Appeal focus welfare efforts into prison mentorship schemes. Incarceration is a complex and isolating time for many, and we understand the critical imperative of offering support within the criminal justice framework. Our mentorship programme, particularly tailored to those from marginalised communities, aims to equip inmates with the essential skills and knowledge they'll need upon re-entry into society.

This programme extends its support beyond the prison walls to include post-release aid. Our comprehensive mentorship strategy assists individuals in reshaping their lives, thereby decreasing the likelihood of re-offending, and fostering social reintegration. Through these varied domestic initiatives, Penny Appeal is making a palpable difference in addressing complex social issues within the UK.

The true measure of these projects' success isn't merely in the number of meals served or mentorships established; it's in the lasting positive impact we make on people's lives. In addressing challenges like food insecurity and incarceration, we're contributing to the construction of a more inclusive, compassionate, and fair society in the United Kingdom.

THIRST RELIEF:

THE FOUNTAIN OF LIFE

Access to clean drinking water is a fundamental right too often overlooked. It is still hard to believe that around the globe, a staggering 2 billion people lack access to safe, clean drinking water. At Penny Appeal, we're turning the tide with over 41,000 water systems and wells installed across nations like Pakistan, India, Bangladesh, Nepal, Sri Lanka, Somalia, Kashmir, and Uganda serving as lifelines for entire communities.

However, Thirst Relief is not just about water, it's a gateway to breaking the cycle of poverty. The proximity of water sources eliminates the need for arduous journeys to collect this vital resource, enabling people to channel their energies towards education, family care, and economic endeavours.

In simple terms, we're adding precious hours back into the lives of those we serve. In recent years, the reach of Thirst Relief has grown substantially. Our services now span a range of water, sanitation, and hygiene (WASH) solutions. With the support of our donors, our Solar Panel Water and Power Centres not only ensure a steady water supply but also power local schools and mosques.

Our Rainwater Harvesting Systems capture and store monsoon deluges, guaranteeing safe water during drier times. Our holistic WASH village projects tackle the issue from multiple angles, from installing community water supplies and gender-sensitive toilets to educating communities on hygiene best practices.



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QUENCHING SCHOOL THIRST A FOCUSED INITIATIVE

Clean water is as essential in educational settings as it is in homes, yet many schools are ill-equipped due to resource limitations. Most schools operate with just a single water source, falling significantly short of their needs.

Hand pumps are a simple yet effective solution. Easily maintained and cost-effective, they can significantly contribute to fulfilling water needs in educational settings.

Take, for example, a government model school in the remote District Multan. Struggling with a single inadequate water source for its 130 students and five staff, they faced a dire situation, particularly during dry seasons. Financial constraints left them unable to address this. That's where Penny Appeal intervened.

We installed a complete Afridev hand pump well, dramatically improving water availability for both students and teachers. It's not just for drinking; the new water source has also rejuvenated their gardens.

The school community is now overjoyed and has conveyed their heartfelt thanks to our donors and to the Penny Appeal family. We are proud to continue to bring this precious resource to those who need it most, reshaping communities and lives for the better.

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STRATEGIC TRUSTEE VISIT:

A TURNING POINT IN PENNY APPEAL'S HUMANITARIAN ENDEAVOURS IN PAKISTAN

The Power of On-Site Governance: Overview of Trustee Mission to Pakistan

In a strategic decision aligned with Charity Commission guidelines, Penny Appeal trustees embarked on a high-level high-impact mission to Pakistan.

This strategic visit aimed to accomplish several pivotal objectives:

- Evaluate firsthand Penny Appeal's humanitarian efforts across various sectors
- Strengthen partnerships between Penny Appeal UK and Penny Appeal Pakistan.
- Engage with the Penny Appeal Pakistan leadership team.
- Review the application of Penny Appeal UK policies and suggest areas for improvement.

Subsequent to the trustee deployment, the findings and recommendations observed by the trustees have been incorporated into the Strategic Plan for the work of Penny Appeal in Pakistan going forward.

Furthermore, the deployment has served to further enhance Penny Appeal's monitoring and evaluation mechanisms on a high-level strategic basis.



GROUND ZERO EXPERIENCE:

A PERSONAL REFLECTION FROM MOHAMMED JAHANGIR, CHAIR OF TRUSTEES

"For many trustees, this trip was a baptism by fire, revealing the harsh realities faced by communities we serve. Juggling packed schedules and braving difficult terrains, we were humbled by our fleeting encounter with their daily struggles. It also brought the incredible scope of Penny Appeal's impact into focus, from water-well projects to transformative Zakat programs."

Critical Conversations: Bridging Communication Gaps

Language barriers were shattered as face-to-face interactions took centre stage. Both trustee boards engaged in fruitful discussions, leading to crucial insights:

- The need for stronger communication channels for effective collaboration.
- Emphasis on local brand awareness and fundraising opportunities.
- Future focus on sustainability and environmental projects, especially considering worsening flood conditions.

Timely Preparedness: A Tragic Precursor to the Devastating Monsoons

The trustees' focus on monsoon preparedness proved tragically prophetic. Weeks later, Pakistan witnessed one of its worst flooding disasters. More than 33 million people were affected, with massive losses to lives, livestock, and property.

The Ripple Effect: The Visit's Far-reaching Impacts

- **£1 Million Milestone:** The strategic visit was a catalyst in raising over £1 million for the Pakistan floods.
- **Endorsement by HE Mr. Ibrar Hussain Khan:** The Consul General personally appeared on British Muslim TV, amplifying the legitimacy and reach of our operations.
- **Actionable Recommendations:** The trustee visit concluded with a series of recommendations, promising future advancements in our governance and operational strategies.

The Aftermath: Penny Appeal's Unwavering Response to the Crisis

In the wake of the devastating floods, our teams across Pakistan jumped into action. Thousands of lives were distressed, and everything was in jeopardy. The aftermath was one of the most challenging times we have ever faced. But we were not alone. We had the support of our donors, partners, and the Pakistani government. We were able to provide relief to the most vulnerable, and we were able to help the government in its efforts to rebuild the country.

Energised for Impact

The trustees returned more energised and committed to our work. They were able to see the impact of our work first-hand, and they were able to see the impact of our work on the ground. They were able to see the impact of our work on the ground, and they were able to see the impact of our work on the ground.

The visit was not just a trip, it was a mission. It was a mission to see the impact of our work first-hand, and it was a mission to see the impact of our work on the ground. It was a mission to see the impact of our work on the ground, and it was a mission to see the impact of our work on the ground.

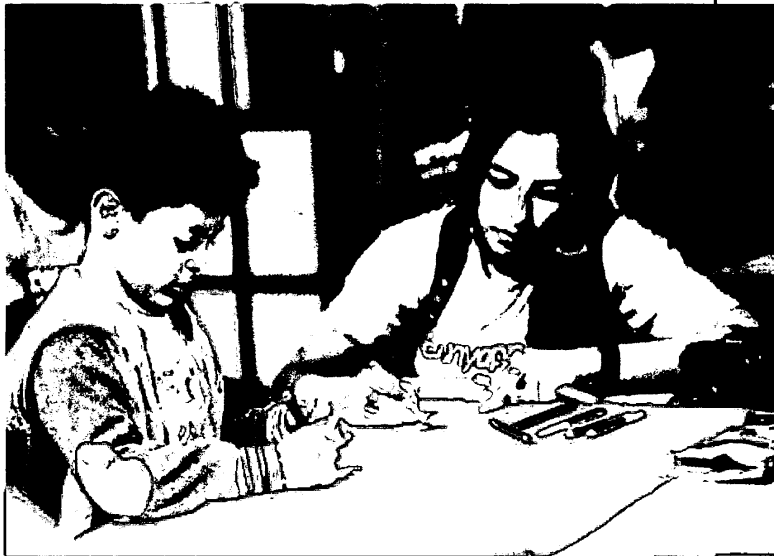


OBJECTIVES & ACTIVITIES

PENNY APPEAL'S VISION

നമ്മുടെ ലക്ഷ്യം ദുരിതാശ്വാസം നൽകുകയും ദുരിതാശ്വാസം നൽകാൻ കഴിയാത്തവർക്ക് സഹായം നൽകുകയും ചെയ്യുക എന്നതാണ്. നമ്മുടെ ലക്ഷ്യം ദുരിതാശ്വാസം നൽകുകയും ദുരിതാശ്വാസം നൽകാൻ കഴിയാത്തവർക്ക് സഹായം നൽകുകയും ചെയ്യുക എന്നതാണ്.

ഈ ലക്ഷ്യം നൽകാൻ നമ്മുടെ ലക്ഷ്യം ദുരിതാശ്വാസം നൽകുകയും ദുരിതാശ്വാസം നൽകാൻ കഴിയാത്തവർക്ക് സഹായം നൽകുകയും ചെയ്യുക എന്നതാണ്.



– OUR VISION

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

Our work is underpinned by the following values:

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

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

– PENNY APPEAL'S OBJECTIVES

The Charity's objectives include:

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

FINANCIAL REVIEW PRINCIPLE FUNDING SOURCES



FINANCIAL REVIEW PRINCIPLE FUNDING SOURCES

Through the generosity of our donors in the fiscal year ending on December 31, 2022, the Charity's total income was £23,086,238. (8 months to December 2021: £16,188,549).

Our Charity relies exclusively on donations from the public, and the challenging macroeconomic environment is reflected in the revenue achieved.

Foreseeing these persistent challenges in the near term the Charity takes its responsibility to strong governance and financial prudence seriously. This is reflected in our reserves calculation and demonstrated by our going concern assessment.

Gift Aid, a pivotal component of our revenue, amounted to £2,190,340, constituting approximately 9.5% of the total income for the year. While this marks a slight decrease from the prior year's 10.2% (year ending 31st December 2021: £1,652,819), Gift Aid remains a vital resource.

The Charity strategically utilizes these additional funds to cover essential operational and administrative expenses, ensuring that the generous donations from the public have a profound impact, reaching those in need.

Whilst income from Gift aid has dropped as a proportion of revenue, we continue to ask our donors at every donation made online to apply gift aid to their donations where appropriate.

During the period, the Charity generated a surplus of a surplus of £1,258,805, a significant turnaround from the deficit of £970,842 reported in the year ending December 31, 2021.

These surplus funds will be disbursed in subsequent financial periods, aligning with our intended use and reinforcing the financial resilience of the Charity.

Charitable activities saw an expenditure of £15,273,026 during the 12-month period ending December 31, 2022, compared to £13,115,773 in the previous year's accounts. The Charity continues to exert itself in ensuring donors money is maximised in this area.

Fundraising costs remained consistent with the extrapolated 12-month figure from 2021, amounting to £6,845,407 (year ending 31 December 2021 [8 months]: £4,043,618).

These activities not only generate immediate income but are viewed as strategic investments, contributing to ongoing and future revenue streams while elevating the Charity's profile.

We continuously scrutinize and optimize the financial model and cost structure, ensuring the best value for the Charity and our Donors.

Looking ahead, the Charity will continue strategically invest in enhancing its infrastructure and governance across all facets. These investments have been integrated into our financial budgets and planned to maintain robust reserves.

This commitment serves as a cornerstone of our strategy to empower the Charity to meet its objectives in an efficient, controlled, and sustainable manner.

It is a proactive step toward maximizing the impact of our endeavours, ensuring our work resonates with lasting and transformative effects.

CHARITABLE ACTIVITIES

Total expenditure on charitable activities of £15,273,026 represented 66.1% of total income raised (year ending 31st December 2021: 81.1%).

Key areas of spend include the following:

	Total 31 December 2022 £m
General	1.9
Feeding	4.3
Emergency	3.3
Orphans	3
Water	1.1
Community Establishment	1.7

SUPPORT COSTS

The Charity's support costs during the period were £2,041,978 (year ending 31st December 2021: £1,548,402), representing 8.8% (year ending 31st December 2021: 9.5%) 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 9.

INVESTMENT POLICY AND OBJECTIVES

The majority of the Charity's funds are spent in the short-term, however the charity has invested in sustainable assets that provide a continuing return.

These investments are made with the goal of creating a diverse and sustainable income stream that will enable the Charity to further our objectives.

A policy will be developed to support longer-term investment as the Charity grows further.

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

In the prior year accounts the investment properties were incorrectly included in tangible assets at historical cost. This was in relation to the two properties Penny Appeal owns which are the following:

- Bezier Creative Print Works
- Thornes Park - The Penny Appeal Campus.

We have now split the properties in accordance with the use of these buildings based on an independent survey by Malcolm Stuart.

The Bezier building and a significant part of Thornes Park is used for investment purposes. Malcolm Stuart are RICS registered valuers based in Wakefield, UK and have extensive experience in the field of property valuation in the local area.

As at year end 31 December 2022 Penny Appeal investment properties have a carrying value of £3.0m. This valuation has been reflected in note 18 of the accounts.

RESERVES POLICY

The table below provides a breakdown of our reserves and shows comparison of its movement from its previous years.

	31 Dec 2022 £m	31 Dec 2021 £m	30 Apr 2021 £m
General Reserves	7.5	1.0	4.1
Restricted	1.1	6.4	4.2

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 £2.8 million which have been maintained throughout the year. This policy forms part of the Trustees assessment of going concern.

The Trustees diligently review the value of reserves annually, ensuring their sufficiency for the Charity's ongoing commitments. Regular monitoring throughout the financial year is conducted to align with the changing operational landscape. The levels of reserves adhere to an evolving reserves policy.



KEY CONTROLS

FUNDRAISING

The Charity is registered with the Fundraising Regulator and has developed procedures to comply with the Code of Fundraising Practice.

Penny Appeal is also a member of the Institute of Fundraising and fundraising activities are designed to be legal, transparent and honest. Fundraising teams utilise a number of different approaches, which include the following:

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

The aforementioned fundraising activities have been conducted in line with our High Level Objectives 2 (Raise and disburse funds ethically and effectively) and 4 (Strengthen the Penny Appeal family and global brand).

2022 was the year in which all Covid-19 restrictions were lifted, and we anticipated a slow return to social gathering. However our events returned to pre-Covid attendee levels, providing significant and vital funds for our charitable activities.

COMPLAINTS HANDLING

For instances where the Charity does not meet the high standards it sets itself, a complaints policy is in place.

A complaint can be submitted either in person, by telephone, email or online via the website contact form. Complaints are dealt with in accordance with the process laid down in the Charity's policy.

GOVERNANCE AND CONFLICTS OF INTEREST

In 2022, a detailed external governance review, conducted by Wrigleys, was received by the Board of Trustees, in order to enhance and improve the Charity's governance structures and processes.

The implementation of the governance action plan is ongoing at the end of the reporting period to ensure suitability and adequacy as the Charity continues to evolve.

The Charity ensures 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 have put in place adequate measures to ensure all conflicts are managed properly and adequately disclosed.

As noted in previous Trustees' Reports, the Charity was notified by the Charity Commission in November 2020 that it was opening a Regulatory Compliance Case and had requested information relating to aspects of governance.

Subsequent to this, the Charity Commission visited Penny Appeal's offices during the reporting period (November 2022) to conduct an audit of charity records as part of this ongoing governance engagement. The Trustees are of the view that comprehensive replies were provided to the Charity Commission to all the questions raised. Engagement with the Charity Commission continues as part of this process.

The Trustees are committed to answering all follow-up enquiries fully with openness and transparency in order to effectively demonstrate the improvements made.

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

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



SAFEGUARDING

2022 was a year of consolidation and change given the lifting of Covid-19 restrictions and the additional safeguarding imperatives the return to social mixing necessitated.

In light of this, during the reporting period, the Safeguarding Directorate worked to embed safeguarding processes, procedures and policies, external reviews, as well as internal assessments had recommended and given rise to.

These additional processes and procedures included safeguarding training for colleagues based at our headquarters in Wakefield, safeguarding engagement with our international partners and affiliates, as well as departmental meetings established to discuss safeguarding on a regular basis.

On a strategic level, the Chair of the Board of Trustees is a specialist in the safeguarding field, bringing this expertise to the Board.

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 employs a Director of Programmes with a specific focus on Safeguarding, who brings extensive sector experience and expertise from work in many areas around the world.

These enhancements have been implemented to ensure that safeguarding processes and controls are adequate across all areas and countries of the Charity's operations.

FUNDRAISING ACTIVITY

The Charity ensures that all fundraising activities are planned well in advance with clear responsibilities at the outset.

Locations, staff and volunteers are selected based on suitability of ability and skills. Only reputable contractors and venues are used.

Where large or high-risk donations are collected, the Charity carries out appropriate due diligence checks to confirm the nature of the donation and the identity of the donor.

Phone calls to appeals on TV and radio are controlled with adequate delays built in to ensure nuisance or ill-intentioned calls are blocked.

GENERAL DATA PROTECTION REGULATION (GDPR)

The Charity provides GDPR training to all staff.

A GDPR action plan is implemented and monitored for compliance. A Data Protection policy and privacy statements are in place.

NON-COMPLIANCE TO COUNTER TERRORISM LEGISLATION

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

The Programme Risk Management Framework is applied to delivery partners to manage risks associated with programme delivery and non-compliance to counter terrorism legislation.

This Framework is used to ensure all grants are used for donor intended purposes. The Charity has strict vetting processes in place for all employees, contractors, suppliers and delivery partners to ensure they are not on UK Government endorsed proscribed lists.

The Programmes department conducts due diligence on all partners before they are engaged. The Charity conducts ongoing monitoring of projects through feedback reports and office visits and monitoring. This is to ensure the risks of non-compliance to counter terrorism legislation are minimised.

MAJOR RISKS AND MANAGEMENT OF THOSE RISKS

The Charity maintains a risk register that captures key corporate risks and drives action plans to mitigate these risks.

The CEO leads this process working together with the executive management team. The key inherent risks identified are listed below.

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

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

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

THE TRUSTEES



**MOHAMMED
JAHANGIR KHAN**

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

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

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



ADEEM YOUNIS
Founder and Trustee

Adeem is a multi-award-winning entrepreneur, community leader and philanthropist hailing from inner city Wakefield.

His inspired vision and tremendous hard work have helped build the industry-leading matchmaking platform, SingleMuslim.com, which has resulted in over 100,000 success stories and was hailed as the largest Muslim-run website globally.

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

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



SAEEDA AMIN
Trustee

Saeeda is the Chief Transformation Officer at Fox's Burton's Companies (FBC) UK. She has over 20 years' experience holding senior executive roles, she is a Chartered Accountant with a background as a CFO, Corporate Finance lead and Transformation leader.

Her skills have been gained through delivering turnarounds, business integrations, mergers & acquisitions, supporting operational and commercial rationalisation and building empowered and engaged teams. Saeeda has a strong strategy and change management focus ensuring delivery of results for all stakeholders. She is a passionate advocate for DE&I inside and outside of the company's walls and committed to building inclusive environments.

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



UMER SHERAZ
Trustee

Chair of Finance, Audit & Risk Committee

Umer is a business transformation leader who has worked across a range of sectors, including private and public agencies.

He specialises in digital transformation, change management and sustainable growth.

He brings to Penny Appeal over 20 years of strategic oversight, ensuring that organisations are able to effectively execute their strategy by putting people and process at the heart of progress.

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

THE TRUSTEES



GILL LAIDLER
Trustee

Gill Laidler is a leading figure in the worlds of marketing, communications, and journalism. A member of the National Union of Journalists, she has over 35 years of industry experience working with a range of local, national and international businesses.

Most notably as Group Editor & Founder of Topic UK 828 Magazine and Yorkshire Businesswoman magazine under which Gill recently launched the Yorkshire Business Woman Networking group.

The group brings together a wealth of knowledge and skills to create a network of business services, meeting on a monthly basis.

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



MAGGIE STEPHENSON
Trustee

Maggie has worked in housing, rural and urban planning and built environment education for over 30 years in South Asia, Africa and Europe.

She has been involved in crisis response and recovery in both natural disaster and conflict situations, and in long term development, through policy and institutional support and in direct programme implementation.

She has experience of working with grassroots community organisations, NGOs, the UN, European Union and World Bank as well as with local and national governments.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Directors/Trustees:

Mr Mohammed Jahangir
Mr Adeem Younis
Mr Umer Sheraz
Ms Saeeda Amin
Ms Gill Laidler
Ms Maggie Stephenson (appointed 10.04.23)
Mr Nasir Akram (appointed 04.06.21, resigned 05.10.23)

CEO:

Mrs Ridwana Wallace-Laher

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 2XO

Legal Advisors

Wigleys Solicitors LLP
19 Cookridge Street
Leeds, LS2 3AG

Bank:

Unity Trust Bank Plc
Four Brindley Place
Birmingham, B1 2JB

Company Registration Number:

06578382

THE BOARD OF TRUSTEES

The Board of Trustees is made up of volunteers, who each bring relevant skills and practical experience with them to help the Charity meet its objectives.

The Board is ultimately responsible for the operations of the Charity.

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

BOARD COMMITTEES

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

- Safeguarding Committee
- Finance, Audit & Risk Committee

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 & TRAINING FOR TRUSTEES

The Charity provides support and development to its Trustees, so that they can understand their roles and responsibilities fully.

This includes giving new Trustees an overview of the Charity's strategic and operational objectives, as well as a comprehensive welcome pack which includes a copy of the governing document, minutes of previous Board meetings and Charity Commission guidance.

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

TRUSTEE APPOINTMENT

All nominations of potential new appointments are reviewed by the existing Board of Trustees.

Trustees are selected because they have the required range of skills, knowledge and experiences that is required to oversee and direct the Charity, complementing the skills and experience of other members of the Board. Our most recent trustee recruitment was facilitated by an external appointments agency, Oxford HR.

Oxford HR established the skills metrics, lead on the drafting of the role appointment descriptions, advertised the roles and conducted the shortlisting process as well as supporting the existing trustees in the facilitation of the subsequent interviews to ensure the best people with the appropriate skills were appointed to support the charity in the fulfilment of its objectives.

Furthermore, during this reporting period, in line with Penny Appeal's commitment to the highest standard of governance, our Board Of Trustees and Senior Leadership Team participated in an externally lead skills audit to identify any gaps that may exist which need to be filled to support the charity in particular areas of its work.

REPORTING

The CEO reports directly to the Board of Trustees and is responsible for managing the day-to-day operations of the Charity.

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

GRANT MAKING POLICY

2022 was a time of strategic alignment for our Programmes department.

During the process we sought to align our strategic organisational priorities with the increasing need that a post-Covid world presents for charities to address. This included the formation and implementation of annualised budgets and forward planning to both promote long-term sustainability and to increase our emergency preparedness for when crisis strikes.

Post-Covid and along with the charity sector as a whole, in implementing our programmes and partner strategy, we had to contend with a limited financial outlay, leading to a greater focus on programme consolidation and high impact within the countries and communities we support.

Subsequently, this led to a large-scale review of our partners grounded within the principles and minimum-standard requirements as identified below, and in accordance with our HLOs 1 and 3, to pursue the delivery of high quality programmes and to invest in the development of our people and infrastructure.

Furthermore, this process has supported the Charity in assisting towards the fulfilment of our five-year strategic objective to become the best-in-cases Muslim charity and aligns with our mission to help those who need us most.

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.

Partnership Policy and Principles:

- We must both add value. Each partner brings different experiences, capacities and resources which all add value. Roles and contributions need to be made clear to ensure trust and deeper commitments can be made. This includes being open about limitations.
- We must respect each other. We recognise and celebrate differences in values and beliefs. In order to form strong partnerships, we must seek enough common ground to ensure both organisations' objectives are fulfilled. It is crucial that this common ground includes a commitment to gender equality and respect for diverse identities.
- We must understand our roles. It's essential that partner relationships are based on a clear understanding of the expected contribution of each party. A commitment to fulfilling roles will allow both organisations to share in success as well as learn together.
- We answer to the communities we serve. Ultimately accountability is to the communities we serve – those experiencing poverty or affected by disasters. But we are also accountable to other stakeholders including donors and governments. Across this spectrum of stakeholders, we must remain open to scrutiny and be ready to share information. Good financial management is essential and involves a high level of trust and shared knowledge.
- We are both committed. We have a commitment to building long-term partnerships. We recognise that this might involve capacity-building and multi-year funding. We will always try to listen to partners, so that changing circumstances and new strategic directions are carefully considered.

GRANT MAKING POLICY

Minimum Partnership Requirements:

- **Strategic fit – should we work together?**

Penny Appeal is committed to developing effective partnerships across a wide range of contexts and countries. In all situations the organisation will ensure that any Potential Partner is a good 'strategic fit' and whether its culture and values align.

Penny Appeal also assesses its own skills and experience to ensure that it has the necessary capacity to work with and support any Potential Partner. Penny Appeal is committed to establishing equitable and accountable partnerships and will ensure that any Partner is aware of how both sides will hold themselves to account, most importantly to the communities we serve. Any Potential Partner would also need to demonstrate relevant compliance with financial, protection, statutory and legal standards.

- **Assessing capacity – do we both have the capacity to deliver?**

We both commit to assessing our capacity as part of the Partner Appraisal Process. This assessment will be completed for every Potential Partner.

- **Partner Conversation – our roles and responsibilities**

If a Potential Partner successfully completes a Partner Appraisal Process, we will not immediately prepare a Memorandum of Understanding (MoU). A good Partnership Conversation is simply a way of creating space and time to discuss these responsibilities and agreements so that we can agree and revisit them together and remind each other of them.

If Penny Appeal staff and Potential Partners have a clear understanding of what the partnership is for and what are responsibilities are, we can develop relationships based on trust and accountability.

- **Memorandum of Understanding (MoU)**

All Approved Partners will be invited to sign an MoU that establishes the broad partnership arrangements.

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

GOVERNING DOCUMENT

Penny Appeal is a charitable company limited by guarantee which was incorporated on 26 January 2009 and registered as a charity on 2 March 2009.

The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the company being wound up members are required to contribute an amount not exceeding £10.

REMUNERATION POLICY FOR KEY MANAGEMENT PERSONNEL

Penny Appeal aims to employ the right people for the right job and therefore a conscious effort is made to employ highly experienced staff in key management positions who can build the capacity and capability of the overall organisation.

Penny Appeal considers this necessary to ensure that its resources are maximised and that every penny spent on beneficiaries goes far in addressing their needs.

The management team was significantly strengthened through recruitment during the reporting period. The remuneration of key management personnel is approved by the Trustees and is benchmarked against the industry norms and prevailing standards.

ORGANISATIONAL STRUCTURE

The reporting period was one of ongoing consolidation and improvement for the Charity.

New governance and operating structures were implemented, in light of the completion of the External Governance Review by Wrigleys. Work to further improve governance and effectiveness was ongoing at the end of the period, as per the Governance Action Plan. The Trustees meet regularly to consider the activities of the Charity and approve its overall direction. The financial period coincided in part with the lifting of restrictions imposed due to the Covid-19 pandemic, and the opening of our new headquarters at Thornes Park in Wakefield.

This new campus provides staff with a setting to support the advancement of their work and provides benefit to the local community through local charitable projects and partnerships. This return to the office after a long period of working from home necessitated by the pandemic did present challenges addressed by all departments creating a departmental charter to identify the best working arrangements for their respective area going forward.

RELATED PARTIES

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

STAFF

The Charity recognises the importance of its staff and their welfare.

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

TRUSTEES RESPONSIBILITIES

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

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

The Report for the period, the Strategic Report and the Trustees' Report (including the Chair of Trustees' Statement) are approved by the Trustees of the Charity on 31 October 2023 and signed on its behalf by:

Mohammed Jahangir

Mohammed Jahangir
Chair of the Board of Trustees

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Penny Appeal (the 'charitable company') year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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Our responsibilities and the responsibilities of the Directors 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 in relation to which 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 81, 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.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

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

- 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. This included at the planning stage of the audit review available communication with the charity commission on their concerns under investigation at that date to identify and actual non-compliance.
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we assessed the extent of compliance with the laws and regulations identified as key to the entity through making enquiries of management and inspecting legal correspondence; 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 charity's 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.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations. We have identified control observations over cost authorisation process and have reported these back to those charged with governance; and
- reviewing the key areas of the financial statements most susceptible to fraud whilst tailoring our audit plans.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates, such as the investment property valuations were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and

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

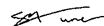
- agreeing financial statement disclosures to underlying supporting documentation. This included comparing disclosures made over the charity commission's findings to available public information from the charity commission.
- reading the minutes of meetings of those charged with governance. This included obtaining copies of responses made by the trustees to the charity commission in response to their enquiries.
- enquiring of management as to actual and potential litigation and claims. This included obtaining a specific representation in response to management's response to concerns raised by the charity commission and a review of correspondence provided to us by the trustee's demonstrating their response to the charity commission's review of the charity.
- reviewing correspondence with the funding bodies and the charity's legal advisors. This included a conference call with the charity's legal advisors to obtain direct information on the progress of discussions with the charity commission.

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.

Use of our report

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



Simon Turner
(Senior Statutory Auditor)

for and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Northallerton
Date: 31 October 2023



STATEMENT OF FINANCIAL ACTIVITIES

STATEMENT OF FINANCIAL ACTIVITIES

For the Year Ended 31 December 2022

(Including Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)

	NOTE	UNRESTRICTED FUNDS£	RESTRICTED FUNDS£	TOTAL 31 DECEMBER 2022£
Income and Endowments from:				
Donations and legacies	3	8,010,937	14,814,336	22,825,273
Investment income	5	12,282	-	12,282
Other income	6	248,683	-	248,683
Total income		8,271,902	14,814,336	23,086,238
Expenditure on:				
Raising funds	7	(1,960,349)	(4,885,058)	(6,845,407)
Charitable activities	8	(1,943,341)	(13,329,685)	(15,273,026)
Total expenditure		(3,903,690)	(18,214,743)	(22,118,433)
Gains/losses on investment assets		291,000	-	291,000
Net income/(expenditure)		4,659,212	(3,400,407)	1,258,805
Transfers between funds		(3,339,655)	3,339,655	-
Net movement in funds		1,319,557	(60,752)	1,258,805
Reconciliation of funds				
Total funds brought forward		6,224,635	1,189,589	7,414,224
Total funds carried forward	25	7,544,192	1,128,837	8,673,029

	NOTE	UNRESTRICTED FUNDS£	RESTRICTED FUNDS£	TOTAL 31 DECEMBER 2021£
Income and Endowments from:				
Donations and legacies	3	2,564,670	13,451,794	16,016,464
Investment income	5	19,070	-	19,070
Other income	6	153,015	-	153,015
Total income		2,736,755	13,451,794	16,188,549
Expenditure on:				
Raising funds	7	(1,105,991)	(2,937,627)	(4,043,618)
Charitable activities	8	(2,624,832)	(10,490,941)	(13,115,773)
Total expenditure		(3,730,823)	(13,428,568)	(17,159,391)
Net (expenditure)/income		(994,068)	23,226	(970,842)
Transfers between funds		(2,164,133)	2,164,133	-
Net movement in funds		(3,158,201)	2,187,359	(970,842)
Reconciliation of funds				
Total funds brought forward		4,150,174	4,234,892	8,385,066
Total funds carried forward	25	991,973	6,422,251	7,414,224

Balance Sheet as at 31 December 2022

	NOTE	31 DECEMBER 2022 €	8 MONTHS TO 31 DECEMBER 2021 €
Fixed assets			
Intangible assets	16	174,542	46,802
Tangible assets	17	1,554,229	3,219,256
Investments	18	3,000,000	-
		<u>4,728,771</u>	<u>3,266,058</u>
Current assets			
Debtors	19	677,402	369,510
Cash at bank and in hand	20	4,333,541	4,472,186
		5,010,943	4,841,696
Creditors: Amounts falling due within one year	21	(1,066,685)	(555,815)
Net current assets		<u>3,944,258</u>	<u>4,285,881</u>
Total assets less current liabilities	0	<u>8,673,029</u>	<u>7,551,939</u>
Creditors: Amounts falling due after more than one year	22	-	(137,715)
Net assets		<u>8,673,029</u>	<u>7,414,224</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		1,128,837	6,422,251
Unrestricted income funds			
Unrestricted funds		7,544,192	991,973
Total funds	25	<u>8,673,029</u>	<u>7,414,224</u>

The financial statements on pages 90 to 113 were approved by the trustees and authorised for issue on 31 October 2023 and signed on their behalf by:

Mohammed Jahangir

Mohammed Jahangir
Chair of the Board of Trustees

STATEMENT OF CASH FLOWS

Flows for the Year Ended 31 December 2022

	NOTE	31 DECEMBER 2022 €	8 MONTHS TO 31 DECEMBER 2021 €
Cash flows from operating activities			
Net cash income/(expenditure)		1,258,805	(970,842)
Adjustments to cash flows from non-cash items			
Depreciation	17	300,924	157,454
Amortisation	16	210,439	10,800
Investment income	5	(12,282)	(19,070)
Revaluation of Investment properties		(291,000)	-
		<u>1,466,886</u>	<u>(821,658)</u>
Working capital adjustments			
Increase in debtors	19	(307,892)	47,105
Increase in creditors	21	510,870	(438,835)
Net cash flows from operating activities		<u>1,669,864</u>	<u>(1,213,388)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets	16	(338,179)	(10,079)
Purchase of tangible fixed assets	17	(598,194)	(968,325)
Increase of Investment Property	18	(746,703)	-
Net cash flows from investing activities		<u>(1,683,076)</u>	<u>(978,404)</u>
Cash flows from financing activities			
Interest receivable and similar income	5	12,282	19,070
Repayment of loans and borrowings	22	(137,715)	-
Net increase/(decrease) in cash and cash equivalents		<u>(138,645)</u>	<u>(2,172,722)</u>
Cash and cash equivalents at 1 January		4,472,186	6,644,908
Cash and cash equivalents at 31 December		<u>4,333,541</u>	<u>4,472,186</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2022

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:
Victoria Chambers
40 Wood Street
Wakefield
WF1 2HB

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.

To support the going concern assessment, the Charity conducted a series of stress tests on its income and expenditure to evaluate the impact of a reduction in income and/or the increase in expenditure.

The tests were conducted over multiple financial years as it is expected any change will have ramifications on future years programme expenditure. The stress tests all concluded successfully and formed part of the basis of the going concern opinion.

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date.

In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

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

For the Year Ended 31 December 2022

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably.

All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category.

Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Other support costs are allocated based on the spread of staff costs.

Raising funds

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

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

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

Support costs

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

Governance costs

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

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Intangible assets

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

Tangible fixed assets

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

Amortisation

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2022

Depreciation and amortisation

The building purchased during the year is not used therefore not depreciated.

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

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

Research and development

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

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

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

Cash and cash equivalents

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

Trade creditors

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

If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

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.

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

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

Fund structure

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

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2022

3. Income from donations and legacies

	UNRESTRICTED FUNDS GENERAL £	RESTRICTED FUNDS £	TOTAL 31 DECEMBER 2022 £	TOTAL 8 MONTHS TO: 31 DECEMBER 2021 £
Donations and legacies;				
Donations to major appeals	5,820,597	14,814,336	20,634,933	14,363,645
Gift aid reclaimed	2,190,340	-	2,190,340	1,652,819
	8,010,937	14,814,336	22,825,273	16,016,464

4. Income from charitable activities

	UNRESTRICTED FUNDS GENERAL £	RESTRICTED FUNDS £	TOTAL 31 DECEMBER 2022 £	TOTAL 8 MONTHS TO: 31 DECEMBER 2021 £
General	8,010,937	-	8,010,937	2,717,685
Feeding	-	2,686,698	2,686,698	3,265,754
Emergency	-	3,035,259	3,035,259	1,728,030
Orphans	-	5,451,755	5,451,755	3,617,986
Education	-	-	-	154,374
Water	-	2,233,630	2,233,630	1,856,138
Restricted General	-	-	-	2,040,557
Medical	-	92,332	92,332	147,153
Community Establishment	-	1,314,662	1,314,662	641,802
	8,010,937	14,814,336	22,825,273	16,169,479

5. Investment income

	UNRESTRICTED FUNDS GENERAL £	TOTAL 31 DECEMBER 2022 £	TOTAL 8 MONTHS TO: 31 DECEMBER 2021 £
Interest receivable and similar income;	-	-	-
Interest receivable and similar income;	12,282	12,282	19,070

6. Other income

	UNRESTRICTED FUNDS GENERAL £	TOTAL 31 DECEMBER 2022 £	TOTAL 1 MAY 2021 TO 31 DECEMBER 2021 £
Rental Income	124,360	124,360	11,795
Event ticket sales	124,323	124,323	153,015
	248,683	248,683	164,810

7. Expenditure on raising funds

	DIRECT £	SUPPORT £	TOTAL 31 DECEMBER 2022 £	TOTAL 1 MAY 2021 TO 31 DECEMBER 2021 £
Events	622,306	34,808	657,114	343,920
Publicity	971,311	54,330	1,025,641	441,833
Fundraising	4,889,178	273,474	5,162,652	3,257,865
	6,482,795	362,612	6,845,407	4,043,618

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2022

8. Expenditure on charitable activities

	ACTIVITY UNDERTAKEN DIRECTLY £	GRANT FUNDING OF ACTIVITY £	ACTIVITY SUPPORT COSTS £	TOTAL 31 DECEMBER 2022 £	TOTAL 1 MAY 2021 TO 31 DECEMBER 2021 £
General	882,330	402,767	658,244	1,943,341	2,624,832
Feeding	1,972,532	1,979,185	327,836	4,279,553	2,803,085
Emergency	1,519,758	1,524,882	252,584	3,297,224	1,487,666
Orphans	1,364,276	1,368,876	226,743	2,959,895	3,096,417
Education	-	-	-	-	60,722
Water	518,198	519,945	86,125	1,124,268	1,930,025
Medical	-	-	-	-	174,524
Community Establishment	769,159	771,752	127,834	1,668,745	938,502
	7,026,253	6,567,407	1,679,366	15,273,026	13,115,773

In addition to the expenditure analysed above, there are also governance costs of £482,978 (2021 - £225,130) which relate directly to charitable activities. See note 9 for further details.

9. Analysis of governance and support costs

Support costs allocated to raising funds

	FINANCE COSTS £	INFORMATION TECHNOLOGY £	ADMINISTRATION COSTS £	PREMISES COSTS INCLUDING DEPRECIATION £	TOTAL 8 MONTHS TO: 31 DECEMBER 2022 £
Fund Raising	18,483	40,779	109,188	194,162	362,612

Support costs allocated to raising funds

	FINANCE COSTS £	INFORMATION TECHNOLOGY £	ADMINISTRATION COSTS £	PREMISES COSTS INCLUDING DEPRECIATION £	TOTAL 8 MONTHS TO: 31 DECEMBER 2022 £
General	272,489	7,503	41,000	337,252	658,244
Feeding	4,987	36,868	110,440	175,541	327,836
Emergency	3,841	28,406	85,090	135,247	252,584
Orphans	3,448	25,499	76,385	121,410	226,742
Water	1,310	9,686	29,014	46,116	86,126
Community Establishment	1,944	14,376	43,065	68,449	127,834
	288,019	122,338	384,994	884,015	1,679,366

Governance costs

	UNRESTRICTED FUNDS GENERAL £	TOTAL 31 DECEMBER 2022 £	TOTAL 8 MONTHS TO: 31 DECEMBER 2021 £
Audit of the financial statements	45,000	45,000	35,000
Legal and professional fees	437,978	437,978	190,130
	482,978	482,978	225,130

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2022

10. Grant-making

Analysis of grants

	GRANTS TO INSTITUTIONS	
	TOTAL 31 DECEMBER 2022 £	TOTAL 8 MONTHS TO 31 DECEMBER 2021 £
Analysis		
Sawaed Association for Relief and Development	920,000	-
Penny Appeal Pakistan	788,530	1,447,644
United Purpose	751,385	760,344
ILM	749,179	957,166
Muslim Charity	587,037	-
Others each less than £50k	574,419	789,411
ACRE Uganda	444,469	129,051
Mandwi	257,530	87,934
Organisation for Research and Community Development	231,302	175,244
Medical Aid for Palestinians (MAP)	194,080	312,603
African Development Trust (ADT)	182,788	67,856
Rural Aid Pakistan	139,900	243,002
Shushilan	115,370	198,379
HELP (Health, Education and Literacy Programme)	89,430	163,061
Nabd Development and Evolution Organisation	83,000	53,627
Responsiveness for Relief and Development	81,389	80,873
Al Makassed Islamic Charitable Hospital	80,361	51,905
Action for Humanity	63,575	-
Solution Focused Education Limited	60,000	-
Haji Superstore	59,613	100,354

Welfare Association - Taawon	57,500	-
Tamer Institute for Community Education	56,550	-
Alliance with Communities for Rural Engagement	-	451,695
Palestinian Farmers Union	-	238,955
International Social Service	-	114,813
Penny Appeal Canada	-	99,223
Rural Development Centre (RDC) Nepal	-	89,250
Moroccan Children's Trust	-	81,854
Action Aid London	-	77,537
Sheba Manab Kallyan Kendra (SMKK)	-	72,000
Afghanistan and Central Asian Association	-	63,671
Penny Appeal South Africa	-	61,290
Mother HELP Age	-	56,211
	6,567,407	7,024,953

The support costs associated with grant-making are £Nil (31 December 2021 - £Nil).

11. Net incoming/outgoing resources

Net incoming/(outgoing) resources for the year include:

	31 DECEMBER 2022 £	8 MONTHS TO: 31 DECEMBER 2021 £
Depreciation of fixed assets	300,924	157,454
Amortisation of goodwill	210,439	10,800

12. Trustees remuneration and expenses

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2022

13. Staff costs

The aggregate payroll costs were as follows:

	31 DECEMBER 2022 £	8 MONTHS TO: 31 DECEMBER 2021 £
Staff costs during the year were:		
Wages and salaries	3,675,962	2,439,563
Social security costs	470,830	222,427
Pension costs	60,162	41,393
	<u>4,206,954</u>	<u>2,703,383</u>

14. Auditors' remuneration

	31 DECEMBER 2022 £	31 DECEMBER 2021 £
Audit of the financial statements	45,000	35,000

15. Taxation

The Charity is a registered charity and has not exceed the maximum threshold for trading activities that would result in any UK corporation tax liabilities.

16. Intangible fixed assets

	RESEARCH AND DEVELOPMENT £	TOTAL £
Cost		
At 1 January 2022	248,910	248,910
Additions	338,179	338,179
At 31 December 2022	<u>587,089</u>	<u>587,089</u>
Amortisation		
At 1 January 2022	202,108	202,108
Charge for the year	210,439	210,439
At 31 December 2022	<u>412,547</u>	<u>412,547</u>
Net book value		
At 31 December 2022	<u>174,542</u>	<u>174,542</u>
At 31 December 2021	<u>46,802</u>	<u>46,802</u>

Development costs

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

17. Tangible fixed assets

	LAND AND BUILDINGS £	FURNITURE AND EQUIPMENT £	MOTOR VEHICLES £	TOTAL £
Cost				
At 1 January 2022	857,460	1,297,915	171,233	2,326,608
Additions	470,068	92,477	35,649	598,194
At 31 December 2022	<u>1,327,528</u>	<u>1,390,392</u>	<u>206,882</u>	<u>2,924,802</u>
Depreciation				
At 1 January 2022	19,526	972,645	77,478	1,069,649
Charge for the year	93,607	188,615	18,702	300,924
At 31 December 2022	<u>113,133</u>	<u>1,161,260</u>	<u>96,180</u>	<u>1,370,573</u>
Net book value				
At 31 December 2022	<u>1,214,395</u>	<u>229,132</u>	<u>110,702</u>	<u>1,554,229</u>
At 31 December 2021	<u>837,934</u>	<u>325,270</u>	<u>93,755</u>	<u>1,256,959</u>

Included within the net book value of land and buildings above is £4,036,528 (31 December 2021: £2,819,757) in respect of freehold land and buildings and £0 (31 December 2021: £0) in respect of leaseholds. The additions in the period relate to the refurbishment of the Head Office. Within tangible assets last year investment property was included at historical cost. In this years note investment properties have been separated out and shown in note 18 at market value.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2022

18. Fixed asset investments

	31 DECEMBER 2022 £
Investment properties	3,000,000

Last year investment properties were included in tangible assets at historical cost. This year we have separated investment properties in note 18. Based on the fact there has been no change in net funds or asset value management have considered this a reclassification rather than a restatement. However, to give a true and fair understanding for users all values transferred between asset classes have been presented in the notes as if they were always there. This presents the supplementary notes in a different way to the comparative period primary statements. There has been a valuation of the property conducted by independent surveyors Malcolm Stuart in June 2023. Malcolm Stuart are RICS registered valuers based in Tadcaster, UK.

Investment properties

	INVESTMENT PROPERTIES £
Cost or Valuation	
At 1 January 2022	1,962,298
Revaluation	290,999
Additions	746,703
At 31 December 2022	3,000,000
Provision	
At 31 December 2022	-
Net book value	
At 31 December 2022	3,000,000
At 31 December 2021	1,962,298

There has been an evaluation of investment property by an independent valuer in June 2023.

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19. Debtors

	31 DECEMBER 2022 £	31 DECEMBER 2021 £
Prepayments	183,515	157,822
Other debtors	493,887	211,688
	677,402	369,510

20. Cash and cash equivalents

	31 DECEMBER 2022 £	31 DECEMBER 2021 £
Cash on hand	15,225	-
Cash at bank	4,318,316	4,472,186
	4,333,541	4,472,186

21. Creditors: amounts falling due within one year

	31 DECEMBER 2022 £	31 DECEMBER 2021 £
Trade creditors	249,051	79,096
Other taxation and social security	79,060	70,273
Other creditors	254,178	19,284
Accruals	484,396	387,162
	1,066,685	555,815

22. Creditors: amounts falling due after one year

	31 DECEMBER 2022 £	31 DECEMBER 2021 £
Other loans	-	137,715

23. Obligations under leases and hire purchase contracts

The charity has no obligations under the lease and hire purchase contracts (2021: Nil).

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2022

24. Pension and other schemes investments

The charitable company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £150,393 (2022: £96,316). Contributions totalling £17,393 (2022: £21,871) were payable to the fund at the reporting date and are included in creditors.

25. Funds

	BALANCE AT 1 JANUARY 2022 £	INCOMING RESOURCES £	RESOURCES EXPENDED £	TRANSFERS £	OTHER RECOGNISED GAINS/(LOSSES) £	BALANCE AT 31 DECEMBER 2022 £
Unrestricted funds						
General						
General	6,224,635	8,271,902	(3,903,690)	(3,339,655)	291,000	7,544,192
Restricted funds						
Feeding	-	2,686,698	(5,165,498)	2,478,800	-	-
Emergency	1,189,589	3,035,259	(4,298,107)	73,259	-	-
Orphans	-	5,451,755	(4,757,621)	-	-	694,134
Water	-	2,233,630	(1,860,812)	-	-	372,818
Medical	-	92,332	(30,447)	-	-	61,885
Community	-	1,314,662	(2,102,258)	787,596	-	-
Total restricted funds	1,189,589	14,814,336	(18,214,743)	3,339,655	-	1,128,837
Total funds	7,414,224	23,086,238	(22,118,433)	-	291,000	8,673,029

	BALANCE AT 1 MAY 2021 £	INCOMING RESOURCES £	RESOURCES EXPENDED £	TRANSFERS £	BALANCE AT 31 DECEMBER 2021 £
Unrestricted funds					
General					
General	4,150,174	2,736,755	(3,730,823)	(2,164,133)	991,973
Restricted funds					
Restricted General	3,192,104	2,040,558	-	-	5,232,662
Feeding	-	3,265,754	(3,845,088)	579,334	-
Emergency	1,042,788	1,728,030	(1,581,229)	-	1,189,589
Orphans	-	3,617,986	(4,691,231)	1,073,245	-
Water	-	1,856,138	(2,138,385)	282,247	-
Medical	-	147,153	(186,819)	39,666	-
Community	-	641,802	(861,488)	219,686	-
Total restricted funds	4,234,892	13,297,421	(13,304,240)	2,194,178	6,422,251
Total funds	8,385,066	16,034,176	(17,035,063)	30,045	7,414,224

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2022

26. Analysis of net assets between funds

	UNRESTRICTED FUNDS GENERAL £	RESTRICTED FUNDS £	TOTAL FUNDS AT 30 APRIL 2022 £
Intangible fixed assets	174,542	-	174,542
Tangible fixed assets	1,554,229	-	1,554,229
Fixed asset investments	3,000,000	-	3,000,000
Current assets	3,882,106	1,128,837	5,010,943
Current liabilities	(1,066,685)	-	(1,066,685)
Total net assets	7,544,192	1,128,837	8,673,029

	UNRESTRICTED FUNDS GENERAL £	RESTRICTED FUNDS £	TOTAL FUNDS AT 30 APRIL 2021 £
Intangible fixed assets	46,802	-	46,802
Tangible fixed assets	3,219,256	-	3,219,256
Current assets	(1,580,555)	6,422,251	4,841,696
Current liabilities	(555,815)	-	(555,815)
Creditors over 1 year	(137,715)	-	(137,715)
Total net assets	991,973	6,422,251	7,414,224

27. Related party transactions

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

During the period Penny Appeal paid £1,188,818 to BMTV for advertising and for producing a number of documentaries on behalf of the charity. For transparency, it is disclosed that Esplanade Vale Media Limited had separate commercial agreements with companies owned or controlled by Adeem Younis, a Trustee of Penny Appeal.

During the period, Esplanade Vale Media Limited made the following payments to such companies under those agreements: £170,400 (year ended Dec 2021: £160,000) for advertising; £0 (year ended 30 Dec 2021: £57,600) for studio and broadcast equipment rental; £132,000 (year ended Dec 2021: £88,817) for property rental; and £28,800 (year ended Dec 2021: £19,200) 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.

28. Subsidiary accounts

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

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

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