

PEPAL FOUNDATION

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Registered number: 06949484

Charity number: 1137688

www.pepal.org

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	2
Trustees' report	3
Independent examiner's report	13
Consolidated statement of financial activities	14
Consolidated and charity balance sheet	15
Consolidated cash flow statement	16
Notes to the financial statements	17

Directors and trustees
Vikas Karlekar
Dr. Andriy Klepikov
Tammy Lowry (resigned 31 March 2025)
Edward Marsh
Julie Saunders

Board advisor
Dr. Ritah Waddimba Nakigudde

Executive Director (who is neither a member of the company nor a trustee)
Philip Krinks (resigned 30th September 2025)

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

Company registered number:	06949484	
Charity registered number:	1137688	
Independent Examiners:	Nicholas Lawrence	61 Benskin Road, Watford, WD18 0HN
Bankers:	Barclays Plc	Leicester LE87 2BB
	Moneycorp	Zig Zag Building, 5th Floor, 70 Victoria Street, London SW1E 6SQ
	Absa Bank Uganda	Plot 2/4 Hannington Road, Kampala, Uganda
Solicitors:	Russell-Cooke	2 Putney Hill, London, SW15 6AB5
Registered Office:	167-169 Great Portland Street Fifth Floor London W1W 5PF	

TRUSTEES' REPORT - PEPAL FOUNDATION
FOR THE YEAR ENDED 31ST DECEMBER 2025

1. Introduction

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of Pepal Foundation (the charity and the group) for the year ended 31 December 2025. The Trustees confirm that the annual report and financial statements of the charity and the group comply with the current statutory requirements, the requirements of the charity and the group's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019.

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

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

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

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

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

In the year up to 31 December 2025, **Pepal Foundation** has provided grants to Pepal's NGO partners and supported the delivery of the charitable Pepal leadership programmes and the testing of low resource, high impact innovations.

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

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

2. Activities, Achievements and Performance

Charitable Objectives

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

Pepal delivers its charitable objectives by:

- Connecting businesses, NGOs and government to work on projects in low resource countries, which have a scalable and sustainable social impact.
- Providing capacity building leadership programmes to leaders from NGOs, civil society and the government in low resource countries.
- Supporting the generation and testing of innovation ideas coming from the Pepal leadership programmes.
- Providing grants to Pepal's partner NGOs to implement charitable activities.

During 2025, Pepal's charitable objectives were delivered by staff who were employed by both Pepal Limited and Pepal Foundation. The Executive Director is an employee of Pepal Foundation and Pepal Limited and a company director of Pepal Limited. The Executive Director is not a trustee nor member of Pepal Foundation. During 2025, Pepal had four staff.

Current Pepal Programmes

Pepal believes that we will only find long term solutions to some of the most pressing and challenging issues in the Global South if the public, private, and charity sectors work together towards a common purpose. Pepal was created in 2009 to do this by bringing together global corporations, NGOs and governments to find practical solutions to big social issues. Our innovative programmes create immediate and scalable solutions and develop leaders who are capable of driving change, both in our programmes, and throughout their future careers.

During 2025, we completed the Krishi Tarang programme in India and continued our grant funded work in Tanzania. However, with the corporate context significantly more challenging and the removal of US government funded healthcare support in Tanzania and Uganda, we did not start any new corporate leadership programmes.

In June 2025, the Board took the decision to sunset Pepal's corporate programme activities, prepare the UK entities to be able to run at a much lower cost and to focus on grant-making with Pepal Tanzania as the main beneficiary. The Board decided to gradually spend down the group's reserves supporting Pepal Tanzania to become a sustainable charity improving livelihoods and improving health service delivery in Tanzania.

Krishi Tarang: Leadership and Agricultural Livelihoods in India

The Krishi Tarang programme aims to improve livelihoods and life chances for young people from agricultural communities in the highly populated state of Uttar Pradesh, India. We achieve this by developing the capacity of leaders and testing small scale innovations with the potential for local ownership. Krishi Tarang is a partnership between Pepal, Nestlé S.A., Progressive Foundation, other NGOs including Medha, Safe Society, Educate Girls, Shramik Bharti and Trust Community Livelihoods and the Indian agritech platform Gramik. In 2025, we completed the second cohort programme, with project activities in rural districts of Uttar Pradesh, including Raebareili, Kanpur and Barabanki.

Agriculture is the primary source of livelihood for nearly 60% of the population in Uttar Pradesh, yet it remains one of the least profitable sectors. Small and marginal farmers, who make up over 80% of the farming community, are often cultivating small plots of two hectares or less. With low yields, high input costs, and limited access to markets, many are trapped in cycles of debt and poverty. This makes agriculture a subsistence activity, rather than a reliable source of income.

Despite its status as India's second-largest state economy, Uttar Pradesh's agricultural sector faces systemic challenges that limit income generation. Irrigation coverage is uneven, with many farmers dependent on erratic rainfall. Access to quality seeds, fertilizers, and mechanisation is limited, particularly for smallholders. Farmers often sell their produce at distress prices to middlemen, losing potential earnings. Rural infrastructure such as roads, cold chains, and processing units is insufficient, preventing value addition that could boost incomes. Limited access to formal credit and crop insurance further exposes farmers to financial risk.

Leadership and social impact are the main pillars of the Krishi Tarang programme. In two cohorts Krishi Tarang has developed 78 leaders: 36 Nestlé leaders from around the world and 42 leaders from the state of Uttar Pradesh. Twelve teams tested innovative projects reaching 1,392 farmers in 40 villages, where 52 farmers became locally employed, 13 started new small businesses, 361 farmers adopted new methods of farming such as sustainable farming and multi-layer farming which increased their income on average by 30%.

Pepal Tanzania - Cervical Cancer Prevention and Improved Livelihoods in Tanzania

Kahawa

Building on the NJIA and iNJIA programmes implemented over 10 years in the remote Kagera region of Tanzania, Pepal Tanzania implemented the final phase of the Kahawa Foundation project to prevent cervical cancer, via a school-based HPV vaccination drive and the procurement and rotational deployment of two thermocoagulators. These thermocoagulators destroy pre-cancerous cervical lesions by applying heat to the affected area of the cervix. During 2025, with funding from Kahawa, Pepal Tanzania:

- 200 girls vaccinated against HPV[1].
- Procured two thermocoagulators which were deployed in ZamZam and Rwamishenyi health clinics.
- Procured cleaning solvent and probes for maintenance of the treatment devices.

[1] Human Papillomavirus (HPV)**, the virus that causes virtually all cervical cancers.**

- Zam Zam Health Centre has treated **9** VIA+[2] cases from both screening and HPV DNA testing[3].
- Rwamishenyi Health Centre has treated **17** VIA+ cases from both screening and HPV DNA testing.
- Trained three on the use of the thermocoagulator so that the machine can be used rotationally at different health facilities.

Change in deployment from rotation around small clinics to referral into larger sites. At one clinic (Rwamishenyi) effort led by an NJIA alum, who has treated 58 positive cases and reports that screening rates have gone up with same day treatment available.

Cervical cancer is the most common cancer among women in Tanzania, and the leading cause of cancer related mortality among women aged between 15 and 49. Each year about 7,300 new cases of cervical cancer are diagnosed in Tanzania: one of the highest incidences in Africa.

The NJIA programme started in 2015, and ended in 2024, by which time we had created over 717 (2023: 695) NJIA leaders from Tanzania, India and Uganda, the overwhelming majority of whom say they have made profound changes to their leadership style and that they would recommend NJIA to a colleague.

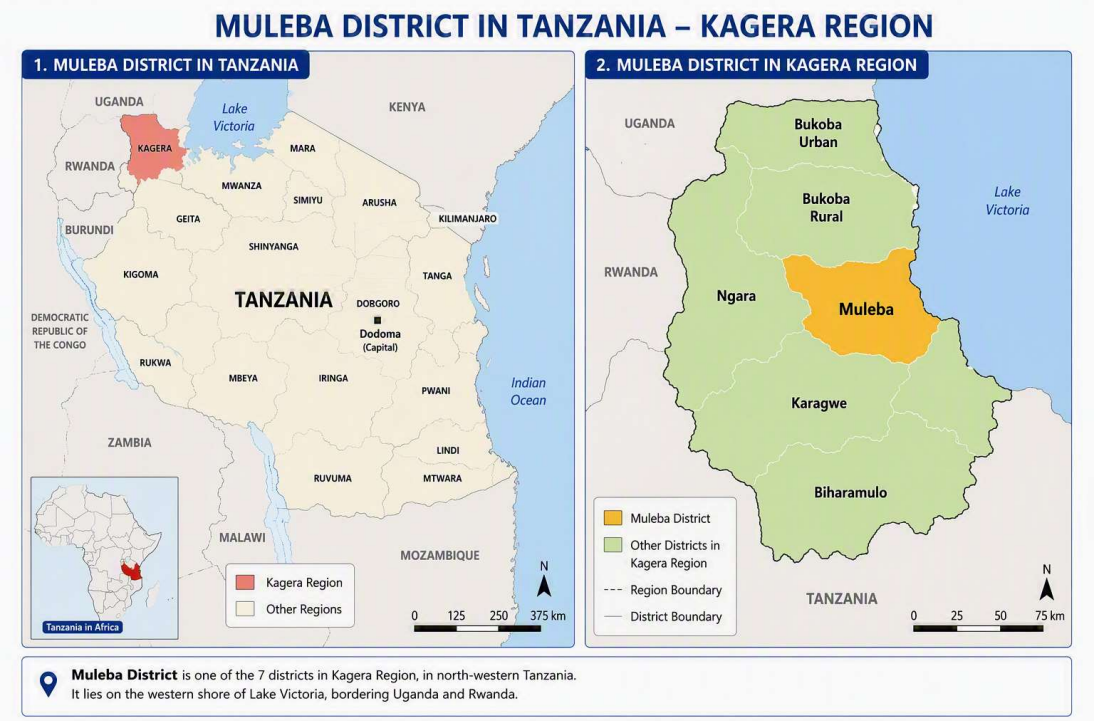
Furthermore, strengthening the cervical cancer ecosystem has always been a pillar of the NJIA programme across all the countries we operate in. With 3 innovations addressing challenges on both the prevention and treatment sides of care in this final programme, NJIA leaders in Tanzania, screened over 1,300 women, administered 3,526 HPV vaccinations to young girls and treated over 68 women who tested positive for early lesions.

Evergreen

In 2022, as a follow-up to an NJIA programme, two NJIA participants set up a poultry farm in Muleba, Kagera. The aim was to create a sustainable income generating project with profits used to support HPV vaccination and a Special Needs School.

[2] Positive result on Visual Inspection with Acetic Acid

[3] HPV DNA testing is a cervical cancer screening test that looks directly for the DNA of high-risk strains of Human Papillomavirus (HPV)



In 2025, Evergreen Foundation funded the first phase of expansion (£6.3k) with the aim of increasing both egg production and profits to further support the school.

300 new chicks/layers were purchased and given high-quality feed to ensure healthy growth and egg yield, 3 planned enclosures were built. During the year, the farm generated TZS1.7 million (470 £) in surpluses enabling initial donations to the School for Special Needs (eg sanitary/hygiene products), the first step to establishing a long-term partnership. The farm is on track for new layers to produce eggs at scale with increased profits by early 2026.

In 2025, profits from the farm with match funding from District supported vaccination of over 18,000 girls in Muleba. The school received its first donation of sanitary/hygiene products in December.

Looking forward, we expect the "layers" to begin producing eggs at scale (and expansion to begin to increase profits) in early 2026.

DREAMS

DREAMS is a programme (**D**etermined, **R**esilient, **E**mpowered, **A**IDS-free, **M**entored and **S**afe), initially set up by the Tanzanian Government and funded by USAID to improve livelihoods by provided finance and business training to over 300 young girls and women at a government-built resource centre In Bukoba, the capital of Kagera.

In 2025, when the USAID funded DREAMS programme was suspended, Pepal Tanzania decided to continue to support the young DREAMS leaders. The team delivered a two-day leadership training programme to 15-20 DREAMS leaders. The aim was to give participants the skills they needed to turn their early-stage ideas into sustainable small businesses, by building mindset, voice and practical leadership skills. Pepal delivered interactive sessions covering self-awareness, leadership styles,

confidence, communication, visioning, and problem-solving with activities which included role plays, group challenges, drawing exercises, and real-life case studies. The programme was very positively received, as we were able to train 15 young women and establish a pool of young women to pilot a full programme in 2026.

The hope is to rerun the programme in 2026, engaging a larger cohort of DREAMS leaders seeking funding support to scale successful innovations.

3. Financial Review and Results

Results

Overall, the group made an operating deficit of £64,614 in 2024 compared to a surplus of £10,109 in 2024. The drawdown of restricted funds was £12,130 with unrestricted fund balances reducing by £52,484. Grant income of £8,926 was received during 2025 (2024: £15,482).

Income

During 2025, the group continued to generate income from a mix of sources including:

- Unrestricted fee income, via Pepal Limited, from companies for participation on Pepal's leadership programmes. This fee income was used to cover the costs of NGO and health care worker participation on the leadership programmes and provide core funds to the group.
- Unrestricted fee income, via Pepal Limited, from companies for the design of the leadership programmes which combine leadership training with social impact.
- Restricted income for onward granting to Pepal's partner NGOs to support project activities.

In total, the group's income was £42,740 in 2025 compared to £299,224 in 2024.

Expenditure

Expenditure totalled £107,354 during the year (2024: £287,391), covering the costs of grants to local implementing partners, salaries, programme development, programme implementation, support and administration costs.

During the year, the Pepal Foundation made £13,836 (2024: £58,334) of grants to in relation to supporting livelihoods of young people in agriculture, and £31,254 (2024: £28,901) of grants to support cervical cancer prevention work. Note 6 of the Consolidated Financial Statements provides more information on the grants made by the group.

The Balance Sheet

At 31 December 2025, the balance sheet remained healthy with unrestricted reserves of £139,403 (2024: £191,887), sufficient to allow the group to meet its working capital needs.

Restricted funds totalled £3,352 at 31 December 2025 (2024: £15,482), reflecting small grants and donations from individuals and foundations. There were no trade debtors at year-end (2024: £66,395).

4. Plans for Future Periods

During 2025, the Trustees undertook a Strategy Review to reflect on progress over recent years, including the completion of the successful NJIA/iNJIA programme, the change in corporate context and the ending of USAID. The Review included input from Pepal's external stakeholders, including donors, governments, corporates and NGOs.

It noted reduced possibilities for corporate programmes, given changes in the needs of our corporate partners and a significantly more challenging environment for international development work.

It was decided that Pepal would bring the Krishi Tarang programme to completion during the year and cease corporate programming.

Looking ahead the Trustees plan to operate at smaller scale, focusing on supporting our existing partner organisation, Pepal Foundation in Tanzania.

5. Going Concern

The trustees are confident that the planned level of expenditure remains affordable and that the group has the resources to develop the new phase of work mentioned above. For this reason, they continue to adopt the going concern basis in preparing the financial statements

6. Policies and Objectives

Grant-Making Policies

Pepal signs framework agreements with its NGO partners. These outline broad objectives of the partnership. Specific activities are governed by individual contracts.

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

Reserves Policies

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

The level of unrestricted general funds was £139,403 on 31 December 2025 (2024: £191,887) compared to a targeted level of reserves of £36,327 in 2025 and £95,797 in 2024. The targeted level of reserves reduced in 2025 due to the level of activity. The group therefore had, at 31 December 2025, sufficient reserves.

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

7. Structure, Governance and Management

Governing Document

Pepal Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 1st July 2009. It is registered as a charity with the Charity Commission. On 31 December 2024 there were five trustees.

Appointment and Induction of Trustees

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

Organisation

All trustees are members of the Company and the Trustee Board which comprises between three and twelve members. Together, the trustees take overall responsibility for the strategy and finances of the Charity and for ensuring its effective management. The trustees also oversee the performance of the group including Pepal Limited. During the year until 31 December 2025, the trustees of the Charity met regularly. Similarly, the directors of Pepal Limited have met regularly.

Pepal Foundation and Pepal Limited is managed by the Executive Director and five other staff members. Additionally the work of the group is supported by volunteer workers as well as strategic NGO partners, independent specialists and independent academic faculty.

Related Parties

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

Pay Policy for Senior Staff

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

The pay of the staff is reviewed regularly and reflects funds available, past contributions to the organisation, the level of risk that the organisation is exposed to, and market rates.

Risk Management

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

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

We continue to place a high emphasis on safeguarding. We have a policy of zero tolerance towards any deliberate harm of others, especially children, by our representatives (whether staff, volunteers, or others). We have safeguarding policies in place and we train our staff and volunteers. We remain committed to transparency around safeguarding issues. In 2025, Pepal didn't log any safeguarding concerns. No concerns were deemed as 'serious incidents' and therefore no reports were made to the Charity Commission. We recognise under-reporting within the sector is a major barrier to tackling sexual exploitation and abuse; we are working with our staff and partners to ensure that all incidences, no matter how minor, are reported. We will continue to monitor, report, and investigate any safeguarding incidents and take action where necessary.

The trustees, together with the directors of Pepal Limited, regularly refresh risk analysis to assess current risks and to put in place risk mitigation strategies. During 2026, the trustees will continue to monitor the risks to which the group is exposed and to review the Group's risk management strategies.

8. Trustees Responsibilities in Relation to the Financial Statements

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

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

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

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

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

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

This report was approved by the Trustees on 21st September 2026.

and signed on their behalf, by:



Julie Saunders (Chair of Board)

21st September 2026

INDEPENDENT EXAMINER'S REPORT – PEPAL FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2025

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2025 which are set out on pages 14 to 24.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Signed: Date: 24th September 2026



Nicholas Lawrence, ACA
61 Benskin Road
Watford
WD18 0HN

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES: PEPAL FOUNDATION
(Incorporating income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2025

Registered Number: 06949484; Charity Number: 1137688

	Notes	1 Jan 2025 to 31 Dec 2025 Unrestricted Funds (£)	Restricted Funds (£)	Total (£)	1 Jan to 31 Dec 2024 Total (£)
Incoming resources	**2**				
Charitable income		31,794	8,926	40,720	297,290
Other income		2,020	-	2,020	1,934
Total Incoming resources		**33,814**	**8,926**	**42,740**	**299,224**
Resources expended					
Charitable activities	**5, 6, 13**	86,298	21,056	107,354	289,115
Total resources expended	**4**	**86,298**	**21,056**	**107,354**	**289,115**
Net(outgoing)/incoming resources		**(52,484)**	**(12,130)**	**(64,614)**	**10,109**
		(52,484)	(12,130)	(64,614)	10,109
Net movement in funds					
Total funds brought forward at 31 Dec 2024		191,887	15,482	207,369	197,260
Total funds carried forward at 31 Dec 2025	**10**	**139,403**	**3,352**	**142,755**	**207,369**

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

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

CONSOLIDATED BALANCE SHEET: PEPAL FOUNDATION
AS AT 31 DECEMBER 2025

Registered Number: 06949484; Charity Number: 1137688

	Notes	Group (£)		Charity (£)	
		31/12/25	31/12/24	31/12/25	31/12/24
Fixed assets					
Investment in subsidiaries	**12**	-	-	1	1
		-	**-**	**1**	**1**
Current assets					
Amount due from subsidiary	**8**	-		6,263	39,101
Other debtors	**8**	36	70,025	-	3,290
Cash at bank and in hand		145,226	177,470	137,099	173,257
		145,262	**247,495**	**143,362**	**215,648**
Creditors					
Amount falling due within 1 year	**9**	2,507	22,462	608	8,280
Deferred income	**9a**	-	17,664	-	-
Net current assets		**142,755**	**207,369**	**142,754**	**207,368**
Total assets less current liabilities		**142,755**	**207,369**	**142,755**	**207,369**
Funds					
Unrestricted general funds		139,403	191,887	139,403	191,887
Restricted funds		3,352	15,482	3,352	15,482
Total funds	**10**	**142,755**	**207,369**	**142,755**	**207,369**

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

The financial statements were approved by Trustees on 21 September 2026 and signed on their behalf, by:



Julie Saunders (Chair of Board)

The notes on pages 17 to 24 form part of these financial statement

CONSOLIDATED CASH FLOW: PEPAL FOUNDATION
AS AT 31 DECEMBER 2025

Registered Number: 06949484; Charity Number: 1137688

	Notes	For the year ending 31 December 2025	For the year ending 31 December 2024
	11		
Cash flow from operating activities (£)			
Net cash provided by operating activities		(34,264)	24,735
Cash flow from investing activities (£)			
Bank interest		2,020	1,934
Change in cash and cash equivalents for the year (£)		**(32,244)**	**26,669**
Cash and cash equivalents brought forward (£)		177,470	150,801
Cash and cash equivalents carried forward (£)		**145,226**	**177,470**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: PEPAL FOUNDATION FOR THE YEAR ENDING 31 DECEMBER 2025

1. Accounting policies

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

Basis of accounting

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

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

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

Public Benefit

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

Basis of consolidation

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

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

The income and expenditure account for the period dealt with in the accounts of the charity was a deficit of £66,242.

Company status

Pepal Foundation is a company limited by guarantee registered in England and Wales with registered address 167-169 Great Portland Street, Fifth floor, London, W1W 5PF. The members of the company are the Trustees named on page 2 of this report. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Fund accounting

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

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

Incoming resources

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract or where entitlement to grant funding is subject to specific performance conditions. Grant income included in this category provides funding to support programme activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Debtors

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

Deferred Income

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

Creditors and provisions

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

Resources expended

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

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

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

Foreign currencies

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

Taxation

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

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

Tangible fixed assets and depreciation

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

Investments

The investment in the subsidiary is shown at historic cost.

Going concern

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

Significant judgements and estimates

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

2. Income

Group Income (£)		to 31 Dec 2025	to 31 Dec 2024
Restricted Grant Income	Kahawa Foundation	-	15,482
	Evergreen Foundation	6,274	-
	Heidelrose	2,652	-
Total Restricted		*8,926*	*15,482*
Programme Income		31,794	281,808
Other income		2,020	1,934
Total Unrestricted		*33,814*	*283,742*
		42,740	**299,244**

Charity Income (£)		to 31 Dec 2025	to 31 Dec 2024
Restricted Grant Income	Kahawa Foundation	-	15,482
	Evergreen Foundation	6,274	-
	Heidelrose	2,652	-
	From Pepal Limited	1,171	58,625
Total Restricted		*10,097*	*74,107*
Gift Aid Income from subsidiary		2,356	97,319
Other income		4,697	2,295
		17,123	**173,721**

95% (2024: 100%) of the income of the group derives from outside the UK.

3. Surplus of resources for the year

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

	to 31 Dec 2025	to 31 Dec 2024
Independent Examiners Fees (£)	1,900	4,035

The group deficit for the period was £64,614 (2024 surplus: £10,109)

4. Employees

	to 31 Dec 2025	to 31 Dec 2024
Total Staff Costs		
Wages and salaries (£)	55,722	143,465
Employers National Insurance (£)	747	3,892
Employers Pension (£)	606	1,771
Total	**57,075**	**149,128**
Average number of employees (Pepal Ltd & Pepal Foundation)	**1.5**	**2.4**
Directors Emoluments (Pepal Ltd & Pepal Foundation) (£)	**22,438**	**59,869**

Key management personnel remuneration in the year was £22,438 (2024: £59,869).

5. Breakdown of cost of charitable activities (£)

The trustees consider that the charitable activity of Pepal is the design and delivery of social impact programmes within cross sector partnerships in low resource settings, in collaboration with businesses, NGOs, civil society and governments, including leadership development, the creation of social innovations and scaling for impact. Accordingly, all the costs of the group are attributed to this activity.

	Restricted	Unrestricted Funds			Total	Total
	Funds	Programmes	Governance	Total	2025	2024
Wages and salaries		54,553	2,522	57,075	57,075	149,128
Travel & other staff costs		(3,216)		(3,216)	(3,216)	18,173
Other programme & admin	2,666	3,091		3,091	5,757	28,048
Grants to partner organisations	18,390	26,698		26,698	45,088	87,235
Governance (exc wages)		-	2,650	2,650	2,650	6,531
Total	**21,056**	**81,126**	**5,172**	**86,928**	**107,354**	**289,115**

Support costs are made up of total governance costs, which in 2024 were £11,299 including wages and salaries. In 2024 expenditure from restricted funds was £1,724 and unrestricted funds was £287,391.

6. Grants to Partner Organisations (£)

	2025	2024
Pepal Foundation (Tanzania)	31,254	28,901
Progressive Foundation (India)	13,836	58,334
Total (£)	**45,090**	**87,235**

7. Corporation Tax

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

8. Debtors (£)

	Group		Charity	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Trade debtors	-	66,395	-	1,125
Amounts due from subsidiary	-	-	6,263	39,101
Accrued income	-	-	-	-
Prepayments	-	2,700	-	1,350
VAT debtor	36	115	-	-
Advances	-	815	-	815
Total	**36**	**70,025**	**6,263**	**42,391**

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

	Group		Charity	
	31 Dec 2025	31 Dec 2024	31 Dec 2024	31 Dec 2024
Trade creditors	535	6,807	-	210
Accruals	1,972	15,655	608	8,070
Deferred income	-	17,664	-	-
Total	**2,507**	**40,126**	**608**	**8,280**

9a. Deferred income (£)

	Group		Charity	
	1 Jan 24 to 31 Dec 2025	1 Jan 24 to 31 Dec 2024	1 Jan 24 to 31 Dec 2025	1 Jan 23 to 31 Dec 2024
Balance brought forward	17,644	172,019	-	-
Resources deferred during the year	-	17,644	-	-
Amounts released from previous periods	(17,644)	(172,019)	-	-
Balance carried forward	**-**	**17,644**	**-**	**-**

10. Statements of Funds (£)

Current Year – 2025

	Bal b/fwd (£)	Income (£)	Expenditure (£)	Transfers between funds (£)	Bal c/fwd (£)
Unrestricted funds					
General Fund	191,887	33,814	86,298	-	139,403
Restricted funds					
Kahawa Foundation	15,482	-	14,782	-	700
Evergreen Foundation	-	6,274	6,274	-	-
Heidelrose	-	2,652	-	-	2,652
	207,369	**42,740**	**107,354**	**-**	**142,755**

2024 restricted funds represent funds received to support our programmes in Tanzania.

Previous Year - 2024

	Bal b/fwd (£)	Income (£)	Expenditure (£)	Transfers between funds (£)	Bal c/fwd (£)
Unrestricted funds					
General Fund	195,536	283,742	287,391	-	191,887
Restricted funds					
Kahawa Foundation	-	15,482	-	-	15,482
Private donations	1,724	-	1,724	-	-
Unrestricted funds	**197,260**	**299,224**	**289,115**	**-**	**207,369**

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

	For the year ending 31 December 2025	For the year ending 31 December 2024
Balance brought forward	177,470	150,801
Net income (expenditure) for the year as per SOFA	(64,614)	10,109
Adjustment for:		
Decrease/(increase) in debtors	*69,989*	*162,151*
Increase/(decrease) in creditors	*(19,955)*	*8,764*
Increase/(decrease) in deferred income	*(17,664)*	*(154,355)*
Net cash provided/(used) by operating activities	(32,244)	26,669
Investment in fixed assets	-	-
Balance carried forward	**142,226**	**177,470**

12. Investment in subsidiaries

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

Pepal Limited (£)	**1**

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

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

	1 Jan 2025 to 31 Dec 2025	1 Jan 2024 to 31 Dec 2024
Income		
Programme fee income	32,227	282,573
Total Income	**32,227**	**282,573**
Expenditure		
Wages and Salaries	19,656	92,914
Other staff costs	(385)	5,988
Travel and accommodation	1,027	14,735
Programme materials and other costs	-	2,667
Gift Aid donations to Pepal Foundation	2,356	97,319
Grants to Pepal Foundation	1,171	58,625
Governance including independent examination	2,080	3,533
IT and other administrative costs	6,322	6,792
Total Expenditure	**32,227**	**282,573**
Profit on Ordinary Activities	**-**	**-**

14. Trustees and other related parties

No non-executive director of Pepal Ltd received emoluments (2024 £nil).
No trustees received remuneration for their role in Pepal Foundation (2024: £nil).
No trustees received expenses (2024: £nil).
The Charity had no related party transactions during the year under review.

15. Company limited by guarantee

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

16. Operating leases

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

17. Analysis of net assets between funds (£)

Current Year - 2025	**Unrestricted Funds**	**Restricted Funds**	**Total Funds**
Current Assets	141,910	3,352	145,262
Creditors falling due within 1 year	(2,507)	-	(2,507)
Total Net Assets	**139,403**	**3,352**	**142,755**

Previous Year - 2024	**Unrestricted Funds**	**Restricted Funds**	**Total Funds**
Current Assets	232,013	15,482	247,495
Creditors falling due within 1 year	(40,126)	-	(40,126)
Total Net Assets	**191,887**	**15,482**	**207,369**