PENHA
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2025

Registered Charity No: 1038957

PENHA
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PENHA
CHARITY INFORMATION
31 DECEMBER 2025

The trustees who are also directors of the charity for the purpose of the CIO (Charity Act 2011) present their report with the financial statements of the charity for the year ended 31 December 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statements of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

STRUCTURE, GOVERNANCE AND MANAGEMENT GOVERNING DOCUMENT

The charity is controlled by its governing document, a deed of trust, and Limited by Constitution as defined by the Charities Act 2011 and CIO Regulations.

TRUSTEES

The trustees in office in the year were as follows:

Dr Lulsegged Abebe - Chairperson
Dr Zeremariam Fre - Treasurer
Ms Roda Ibrahim
Ms Amrote Abebayehu Assefa
Dr Andrew Murray Ainslie

Secretary
Dr Bereket Tsegay

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Independent Examiner

Md Iqbal Hossain MBA, FCCA
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PENHA
REPORT OF TRUSTEES
31 DECEMBER 2025

NARRATIVE REPORT

OBJECTIVES

The principal activities of the charity in the period under review have been to promote sustainable development among pastoral and agro-pastoral communities through gender equality, resilience, enterprise and innovation, and regional cooperation across the Horn of Africa. PENHA works at the grassroots and policy levels to empower pastoralist communities to play a full role in their own development. On the UK side, it has focused on youth and diaspora programmes.

ACHIEVEMENT AND PERFORMANCE 2025

PENHA HQ

This report covering the period January-December 2025 has brought unprecedented challenges related to the conflicts, political violence and social unrests in the Horn of Africa and ongoing environmental concerns.

PENHA HQ carried out programme, management, fundraising and communication activities, including providing expert advice to PENHA country offices, locally based organisations, and individuals in the Horn region and in the UK.

Looking ahead, PENHA has continued to review its existing strategy. As part of the process, Dr Lulsegged Abebe participated in the strategy review meeting in Addis Ababa. In a discussion among trustees, regional staff members, and associates, a consensus was reached to make the necessary changes to the five-year strategy to align it with its purpose and to define PENHA's next chapter in its history. Furthermore, Amorte Assefa, a member of the Board of Trustees, visited Ethiopia in September 2025, met with colleagues and partners, and discussed strategies to expand and improve work in Ethiopia and the region.

As part of its public engagement activities, PENHA staff and associates have contributed to various national and international conferences and public gatherings in support of causes of the charity. Some of the contributions made follow.

PENHA, in collaboration with the Department of Geography and Environment, successfully organised a roundtable *on Pastoral Systems and Reductions in Aid: Fallout from International Aid Cuts, Challenges and Prospects* at the 7th Oxford Desert Conference (March 20–21, 2025, University of Oxford). The panel discussed the impact of aid on communities in desert ecosystems and featured experienced speakers. The conference has brought together academics, practitioners, and indigenous peoples to shape desert development agendas.

Dr Zeremariam Fre contributed to The Open University's learning resources on pastoralists' challenges for a new module. In an interview, he discussed their contributions, struggles, and future in the Horn of Africa. Excerpts from this interview are included in *DST216 Environment: inhabiting a changing planet* module, part of the *BA in Environmental Studies*. The module investigates how the

planetary environmental crisis is making Earth less habitable, and whether its diverse inhabitants are equally affected. In July 2025, he also gave a talk to the academics, researchers and postgraduate students at The School of Environment, Earth and Ecosystem Sciences of The Open University. Furthermore, he was also interviewed by Angie Hsu of *Terrapolis* on *Pastoralism and Gender Equality in the Horn of Africa.* In this podcast episode, he shared insights into the roots of gender inequality, indigenous women's knowledge, and economic empowerment programmes that focus on women's education and experiences. *Terrapolis* covers ecosystem conservation, environmental justice, and decolonisation.

Dr Bereket Tsegay from PENHA and Dr Yoseph Araya from The Open University contributed to the 4th International Migration and Mobility Conference (iMigMob 2025) at Aberystwyth University, July 8-10, 2025. Organised with the Royal Geographical Society with the Institute of British Geographers (RGS-IBG), their presentation titled "Harnessing Human Mobility in Lesotho" discussed their IOM-led 2024 consultancy on Migration, Environment, and Climate Change (MECC). They emphasized innovative approaches, policy, and regional cooperation to benefit pastoral and agro-pastoral communities and other citizens of Lesotho and Southern Africa.

PENHA-UK has got further support for the Nicole Kenton Memorial Project, a development initiative that aims to advance community development work among dryland communities in Afar region of Ethiopia. Funds raised will support activities at female students at Samara University in Ethiopia.

At the Board of Trustees' AGM, various critical strategic issues were discussed, and the 2024 narrative and financial reports were approved. The Board also approved Dr Andrew Murray Ainslie, trusteeship in this reporting year and planned to strengthen its governing body by appointing three additional trustees in the coming year.

As part of PENHA's public engagement strategy, regular updates have been published on its digital media, and published promotional materials have been distributed. PENHA has engaged more than 8 volunteers in office-based and virtual forms.

ETHIOPIA

The Ethiopia programme is implemented in collaboration with Tropenbos International of the Netherlands. It centres on *Participatory Productive Restoration*, combining livelihoods and environmental rehabilitation, and integrating climate-smart agriculture, restorative land management practices, water management and conservation for resilient livelihoods, food security, climate resilience and biodiversity. In 2025, PENHA-Ethiopia strengthened productive restoration activities with farmers, youth and women's groups. The Arato Rural Resource Centre is *a hub for work and learning across the Tigray-Afar Border Landscape*. It is operated by the Tsigereda Women's Group, with support from PENHA and landscape partners, with and a Consortium of local agencies, including Mekelle and Samara universities.

PENHA also continued knowledge management, policy and strategy development efforts, working closely with partners, the Centre for International Forestry Research and World Agroforestry (CIFOR-ICRAF) and Ethiopian Forestry Development (EFD), under the Ministry of Agriculture (MoA). Productive restoration at Arato involved an integrated set of activities, including: the introduction of *digital technology for*

participatory monitoring of restoration efforts; training for cooperatives on financial management and business development; practical training on climate smart practices for 120 programme cooperative members (80% women); *provision of inputs, materials, equipment and finance* for a the Village Savings and Loan Association (VSLA) group and user groups; *construction of a multi-purpose hall* for the Tsigereda Cooperative – providing office space for meetings, training, and storage, as well as a safe space for women; *facilitating market access* for Rural Resource Centre (RRC) and homestead agroforestry; providing *continuous follow up, guidance and technical backstopping* to the RRC and homestead agroforestry groups.

Key results at landscape level: Restoration activities piloted on 10 ha and scaled out to 350 ha of the surrounding landscape; 591 households directly involved in productive restoration; Arato Rural Resource Centre is generating revenues and is projected to be commercially self-sustaining in 2026. It supports local homestead agroforestry and wider restoration efforts. Embashimelo Hillside Development Youth Cooperative, legally established, has secured access to land on hillside areas, with 35 youth involved in productive restoration. Restoration/Farmer-Managed Natural Regeneration (FMNR) activities have further mobilised youth. Water reservoirs and pumps have been installed to enable the hillside planting of high-value trees, crops and fodder, generating incomes for youth. Productive Safety Net Programme (PSNP) beneficiaries and extension agents are engaged in the restoration of hillsides and gullies. Collaborative relationships with regional authorities enable cross-learning and scaling.

Restoration at policy level, PENHA worked with six regions to develop a National Drylands Restoration Strategy, officially endorsed by MoA in 2023. Subsequently, PENHA worked with the regions to develop tailored regional strategies. Core principles are now widely incorporated into policies and programmes, ensuring that restoration and environmental rehabilitation are integrated with livelihoods and value chain development.

In 2025, PENHA conducted *analytical studies and baseline assessments, as well as workshops and consultations across several regions* as part of project preparation activities for new the United Nations Environment Programme and the Global Environment Facility (UNEP/GEF) funded programmes (to begin in 2026) that extend Ethiopia's flagship the Green Legacy Initiative (GLI).

PENHA also worked with CIFOR-ICRAF to drive national policy and local action on *Wildfire Management*, developing a National Wildfire Management System based on fire-smart landscape management with communities, and building the capacity of key actors around the Desa'a Forest at the Tigray-Afar border, through training and awareness raising.

At *Africa Climate Week 2025* and the *Africa Climate Summit 2*, representatives of the Tropenbos International network joined leaders, experts and communities in Addis Ababa, calling for African solutions for tropical forests. Ms Amsale Shibeshi and Prof Mitiku Haile from PENHA and Prof Alphonse Maindo from Tropenbos Democratic Republic of Congo attended. PENHA highlighted inclusive value chains and climate finance to empower communities and strengthen local economies rather than displace them.

SOMALILAND

In 2025, PENHA-Somaliland provided administrative and technical support for the Ethiopia programme. Discussions were held with Jigjigga University, aiming to operationalise the MoU signed in 2024. collaboration on joint proposals will involve an exchange of visits, planned for 2026, when PENHA-Ethiopia will begin value chains development in Somali Region, drawing on experience in Somaliland.

Gender Equality and Social Inclusion (GESI): PENHA-Somaliland remains a trusted provider of consultancy services to the UK and Danida supported Somaliland Development Fund (SDF), helping to ensure that programmes are tailored to include women, youth and diverse social groups, including minorities.

Participation in national, regional and international policy and practice forums: PENHA-Somaliland continues to participate actively in national forums. Senior PENHA staff and associates remain particularly active in advocacy around gender issues. In 2025, at the 4th Annual Coordination meeting of the, *the Somaliland National Prosopis Platform*, organised by Welt Hunger Hilfe and Somaliland's Ministry of Environment and Climate Change (MoECC), Country Representative Sadia Ahmed gave a presentation to the Prosopis Platform. She outlined key lessons from her work on the development of Djibouti's Prosopis management strategy, as well as PENHA's experience in Somaliland and Ethiopia.

PENHA contributed to discussions on MoECC plans and the identification of specific actions, with an emphasis on Prosopis utilisation. PENHA also participated in a workshop organised by the Somaliland Institute of Agricultural Research (SIAR) on *'Strengthening Agricultural Research and Innovation: Building Synergies for Resilience and Prosperity'*. This brought together line ministries, development partners, research institutions and the private sector, emphasising the need to strengthen collaborative mechanisms.

New Teams for Project Proposal Development: In 2025, PENHA-Somaliland set up two separate fundraising teams, which involved young associates, working on project proposals in specific areas.

Independent examiner's report to the trustees of PENHA (CIO) For the year ended 31 December 2025

I report on the accounts of the Charity (CIO) for the period ended 31st December 2025, which are set out on pages 8 to 16.

Respective responsibilities of trustees and examiner
The trustees (who are also the directors of the CIO for the purpose of charity law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011(the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law also Charity Law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether matters have come to my attention.

Basis of independent examiner's report
My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement
In connection with my examination, no other matter except that referred to in the above paragraphs, has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements: to keep accounting records in accordance by the Charity Commission under section 145(5)(b) of the 2011 Act; and to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Md Iqbal Hossain, FCCA
B K Community Accountant
420/421 Arches, Burdet Road
London
E3 4AA
Date: 21 October 2026

PENHA Statement of Financial Activities (Including income and expenditure account) 31 December 2025							
Incoming Resources	**Note**	**Unrestricted Funds**	**Restricted**	**TOTAL Funds 2025**	**Unrestricted Funds**	**Restricted Funds**	**TOTAL Funds 2024**
Donation and Grant	**2**	**7,885**	**252,832**	**260,717**	**12,396**	**143,033**	**155,429**
Total Income		**7,885** **=======**	**252,832** **======**	**260,717** **======**	**12,396** **=====**	**143,033** **======**	**155,429** **======**
Expenditure:							
Direct Charitable expenditure	**4**	**-**	**272,351**	**272,351**	**-**	**128,450**	**128,450**
Project Support and administration	**3,5**	**8,735**	**3,881**	**12,616**	**12,166**	**5,052**	**17,218**
Total expenditure		**8,735** **=======**	**276,232** **=======**	**284,967** **======**	**12,166** **=====**	**133,502** **=======**	**145,668** **======**
Net movement in funds		**(850)**	**(23,400)**	**(24,250)**	**230**	**9,531**	**9,761**
Reconciliation of fund:							
Total funds brought forward		**1,277**	**116,073**	**117,350**	**1,047**	**106,542**	**107,589**
Total funds carried forward		**427** **=======**	**92,673** **======**	**93,100** **======**	**1,277** **=====**	**116,073** **======**	**117,350** **======**

TOTAL RECOGNISED GAINS AND LOSSES

The Charity has no recognised gains or losses other than the net movement in funds for the above period.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Charities Act 2011.

The notes on pages 10 to 16 form part of these account

PENHA BALANCE SHEET AS AT 31 DECEMBER 2025					
FIXED ASSETS	**Note**		**2025**		**2024**
		£	**£**	**£**	**£**
Tangible Assets	**9**	-	-	**12,328**	**15,410**
Debtors	**10**	-	**84,726**	**-**	**69,315**
Cash at Bank and in Hand:	**13**	**-**	**-**	**-**	**-**
London Office		**472**			**1,887**
Somaliland Office		**13,445**			**7,176**
Ethiopia Office		**5,924**			**31,130**
Total Current Assets		**-**	**19,841**	**104,567**	**109,508**
		C			
Current Liabilities: Amount falling due within one year	**11**	**-**		**-**	
London Office		-			**-**
Somaliland Office		**21,993**			**-**
Ethiopia Office		**1,802**		**(23,795)**	**(7,568)**
Net Current Assets				**80,772**	**101,940**
Net Assets				**93,100** **=====**	**117,350** **=====**
Restricted Funds:	12	**-**		**-**	
London Office					**-**
Somaliland Office			**19,313**		**22,313**
Ethiopia Office			**73,360**		**93,760**
Unrestricted Funds:					
London Office			**427**		**1,277**
Somaliland Office			**-**		**-**
Ethiopia Office			**-**		**-**
Total Funds				**93,100** **======**	**117,350** **======**

The notes on pages 10 to 16 form part of these accounts.

PENHA
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

The charitable company (CIO) is entitled to exemption from the requirement to obtain an audit is not required for this year under section 144(2) of the Charities Act 2011(the 2011 Act) that members have not required the CIO to obtain an audit in accordance with section 144(2) of the Charities Act 2011(the 2011 Act).

The directors/trustees acknowledge their responsibilities for complying with the requirements of the Charity Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charitable company (CIO) keeps accounting records that comply with section 145 of the Charity Act 2011 and preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the section 145 on Charity Act 2011 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Charity Act 2011 relating to small charitable companies.

The financial statements were approved by the Board of Directors on 22nd October 2026 and were signed on its behalf by:

Dr. Lulsegged Abebe, **Chair** _____

Dr Zeremariam Fre, **Treasurer** _____

1. Charity Status

The charity is a Charitable Incorporated Organisation (CIO); the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities. The charity is registered with the Charity Commission and is exempt from direct taxation.

Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year.

2.1 Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the applicable Accounting Standards and the Statement of Recommended Practice “Accounting and Reporting by Charities” published in March 2005 and the Companies Act 1985.

The CIO has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on this ground.

2.2 Incoming Resources

Income from activities, voluntary income and donations are included in incoming resources when they are receivable, except when the donors specify that they must be used in future accounting periods or donors’ conditions have not been fulfilled, then the income is deferred. The income from fundraising ventures is shown gross, with the associated costs included in fundraising costs.

2.3 Resources Expended

Resources expended are included in the Statement of Financial Activities on accruals basis, inclusive of any VAT that cannot be recovered.

Expenditure that is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of those resources.

2.4 Overseas Projects

Expenditure in respect of overseas project is changed to the relevant project at the time of liability arise for payment.

2.5 Foreign Currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the balance sheet date.

2.6 Going Concern Basis

The financial statements have been prepared on the going concern basis, as in the opinion of the director and trustees, there are no issues arising which would suggest any other basis as being more appropriate.

2.7 Depreciation

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of tangible assets over the estimated useful lives:

Furniture, Fixtures, Fittings and Equipment - 20% on reducing line basis.

2.8 Fund Accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Charity. Restrictions arise when specified by the donor or when funds are raised for restricted purposes.

PENHA
Notes to the Accounts
For the year ended 31 December 2025

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3. Income from donations and legacies

Grants, donations, and legacies:	Unrestricted Funds	Restricted Funds	2025	2024
	£	£	£	£
London Office:				
Community Fund-Donation	7,885	-	7,885	12,396
Somaliland Office:				
NRF/Salt Mine	-	51,149	51,149	59,191
Ethiopia Office:				
Tropenbos International	-	201,683	201,683	83,842
TOTAL Income	7,885 ==========	252,832 ==========	260,717 =======	155,429 =======

4. Management and Administration:

	2025	2024
	£	£
Depreciation	3,082	3,852
Examination and Accountancy	900	1,200
Total	3,982 ========	5,052 ========

5. Charitable Activities:

Charitable activities & Support Cost	Un-restricted Funds	Restricted Funds	Total 2025	Un-restricted Funds	Restricted Funds	Total 2024
	£	£	£	£	£	£
Direct Project Cost	-	261,916	261,916	-	119,515	119,515
Professional and Consultancy fees	-	10,435	10,435	-	8,935	8,935
Total	- ========	272,351 =======	272,351 =======	- =======	128,450 =======	128,450 ======

6. Project Support and Administration:

	Direct Charitable Expenditure	Governance Costs	Support Costs	Total 2025	Total 2024
	£	£	£	£	£
Volunteer Costs	250	-	-	250	3,180
Premises & Insurance	9,908	-	-	9,908	6,927
Travel & Fuel Cost	-	-	-	-	189
Project Cost	-	-	-	-	-
Fundraising	-	-	276	276	-
Bank Charge	285	-	-	285	193
Telephone & Internet	434	-	-	434	1,586
Conference Expenses	263	-	-	263	91
Total	11,140	-	276	11,416	12,166

7. Trustees Expenses

No expenses are paid to Trustees.
No employee earned more than £60,000 during the year (2024: nil).

8. Related party transactions

There are no related party transactions to disclose for 2025 (2024: none) There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

9. Taxation

The CIO is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10. Fixed Assets

	Equipment	Addition	Total
	£		£
Cost			
At 1st January 2024			
London Office	-	-	-
Somaliland Office	57,074	-	57,074
Ethiopia Office	-	-	-
At 31st December 2025	57,074	-	57,074
Depreciation			
At 1st January 2025	41,664	-	41,664
Disposals	-	-	-
Charge this period	3,082		3,082
At 31st December 2025	44,746		44,746
Net book value			
At 31 December 2025	12,328		12,328
At 31 December 2024	15,410		15,410

11. Debtors

	2025	2024
	£	£
Grants Receivable:		
London Office	-	-
Somaliland Office	4,509	858
Ethiopia Office	80,217	68,457
Total	84,726	69,315

12. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Project Cost Accrued (London Office)	-	-
Project Cost Accrued (Somaliland Office)	21,993	-
Project Cost Accrued (Ethiopia Office)	1,802	7,568
	23,795	7,568

Accruals: Provision for Accountancy fees.

13. Fund Flow Statements:

	Balance 1 January 2025	Incoming Resources	Resources Used	Transfers Between Funds	Balance 31 December 2025
	£	£	£	£	£
Restricted Funds:		-	-		
London Office	-	-	-	-	-
Sub- Total	-	-	-	-	-
Somaliland Office:		-	-		-
NRF/Salt Mine	117	-	-		117
NRF	22,196	201,683	(208,773)		15,106
Sub-Total	22,313				15,223
Ethiopia Office:					
Tropenbos International	92,901	51,149	(63,578)		80,472
TBI	859				859
Sub - Total	93,760	-	-		81,331
Total Restricted Fund	116,073				96,554
Unrestricted Funds:					
London Office- Donation	1,277	7,885	(12,616)		(3,454)
Sub Total	1,277				(3,454)
Total Fund	107,589				93,100

14. Exchange Rates:

	USD	EURO	ETB
31/12/1025	1.3448	**1.1462**	208.8509
Income		**231,169**	**10,682,495.63**
£		**201,683**	**51,149**
Expenses		**239,296**	**13,278,245.62**
£		**208,773**	**63,578**

- **Benefits in kind**

There were no benefits in kind in the period.

- **Independent examination and accountancy services**

We are so delighted to appoint our new Independent Examiner "BK Community Accountant Ltd". During the period, the cost of the examination services was £900.

- **Glossary of terms**

Restricted funds: These are funds given to the charity, subject to specific restrictions set by the donor, but still within the general objects of the charity.

Creditors These are amounts owed by the charity but not paid during the accounting period.

Debtors: These are amounts owed to the charity but not received in the accounting period.

Prepayments: These are services that the charity has paid for in advance but not used during the accounting period.