



# Renewable World

TACKLING POVERTY THROUGH RENEWABLE ENERGY

## **Directors' and Trustees' Report and Financial Statements**

**For the year ended 31 March 2019**

*Company Registration Number: 06005778*

*Charity Number: 111946*

# Renewable World

## Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Trustees' report	2
Statement of Trustees' responsibilities	13
Independent examiner's report	14
Statement of accounting policies	15
Statement of financial activities	18
Balance sheet	19
Statement of cash flows	20
Notes forming part of the financial statements	21

# Renewable World

## Directors and other information

### Directors and Trustees

Stephen Balint (Chair)  
Catherine Adams (Treasurer)  
Sarah Donnelly (Vice-Chair)  
Patrick Davis  
Peter Weston  
Gemma Grimes (resigned 21<sup>st</sup> August 2018)  
Neil Pinto  
Claire Hancock  
Marc Monsarrat  
Christopher Morgan

### Secretary

Matthew Stubberfield

### Key management personnel:

#### Senior Managers

Chief Executive Officer  
Head of Fundraising

Matthew Stubberfield  
Marie Hounslow

### Company number

06005778

### Charity number

1119467

### Registered office

Community Base  
113 Queens Road  
Brighton  
BN1 3XG

### Bankers

The Co-operative Bank  
PO Box 250  
Skelmersdale  
WN8 6WT

### Independent Examiners

Kreston Reeves LLP  
37 St Margaret's Street  
Canterbury  
Kent  
CT1 2TU

# Renewable World

## Trustees' report

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 Renewable World ('the Charity') for the year ended 31 March 2019. The Trustees confirm that the annual report and financial statements of the Charity comply with the Charities Act 2011, the Companies Act 2006 and 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 2015).

### **Structure, governance and management**

Renewable World is a charitable company limited by guarantee registered with the Charity Commission since 4 June 2007. It is governed by its Board of Trustees in accordance with its Articles of Association, and with reference to all matters arising from its registration under the Charities Act 2011. The Board of Trustees sets the overall mission, direction and strategy for successful fulfilment of the charity's purposes and continued development as a viable enterprise. It delegates implementation of strategic decisions and the day-to-day management to the senior managers with the assistance of an Operations Committee consisting of the senior managers and three Trustees.

### **Appointment of trustees**

The organisation has at least four, but no more than twelve Trustees. The Chair of the Trustees is nominated by the Board of Trustees. Trustees must resign at the next General Meeting after three year's service but may stand for re-election. Once a Trustee gives notice that they will be unable to continue their role, a process of recruiting a new Trustee is undertaken. The role is advertised nationally and a search is carried out using the Charity's extensive networks to identify suitable replacement candidates. Once suitable candidates have been identified they are invited to attend an interview with two or more Trustees to introduce them to the Charity and establish whether they have the desired and required skills. The successful candidates are then invited to the next Trustees meeting where they are recommended and then elected by all Trustees for a three-year term.

### **Trustee induction and training**

New trustees undergo an orientation day to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

### **Pay policy for senior staff**

The key management personnel of the charity comprise of the board of directors, who are the Charity's trustees, and the Senior Management Team (SMT) in charge of directing and controlling, running and operating the Charity on a day to day basis. All directors give their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 12 to the accounts.

The pay of the senior staff is reviewed annually by a committee of trustees.

# Renewable World

## Trustees' report

### Objectives and activities

Renewable World, a registered charity in England, has the principal objective to relieve poverty through the provision of clean and affordable renewable energy.

Our aims as defined in the company's articles of association are:

- To relieve poverty;
- The preservation, conservation and protection of the environment by the reduction of carbon emissions and the prudent use of natural resources; and
- To advance the education of the public and interested parties in effective reduction of greenhouse gases, the effects of climate change, and sustainable solutions to problems arising from climate change, and to promote and carry out for the public benefit research into such issues and to publish and widely disseminate the useful results of such research.

We are currently working in East Africa and South Asia with communities without access to an affordable and reliable energy supply and for whom a lack of energy is a serious impediment to economic and social development. Many of these communities can be considered rural and last mile and most are poorer than the national average. We aim to give all members of the community inclusive access to energy.

Renewable World has its own regional technical and project delivery teams and also works in partnership with other international, national and local Non-Governmental Organisations (NGOs), with experience of community development and good local relationships. Renewable World provides partners with a combination of financing, capacity building and knowledge sharing to enhance effective implementation of off-grid renewable energy services using appropriate technology. Projects are designed in consultation with communities to ensure they are appropriate for their needs. We also work with national and local governments to influence policy and obtain funding. Technical delivery and construction is usually led and undertaken by local private companies.

### Our Mission & Goal

Our mission is to lead in developing and deploying effective ways of bringing renewable energy at scale to poor communities, empowering them to achieve sustainable and resilient livelihoods.

The Board and senior management team have set our goal to increase access to clean, affordable and sustainable energy to tackle poverty for 100,000 people by 2022. This means reaching another 60,000 direct beneficiaries through our work. This will be achieved principally by scaling up and adapting our community microgrids and community solar water pumping work in Kenya and Nepal.

Our programme impact is defined from project design and measured throughout project delivery in terms of its contribution to the United Nations Sustainable Development Goals (SDGs). Whilst SDG 7- ensure access to affordable, reliable, and modern energy is at the core of all our work we also contribute to:

- SDG1- No Poverty;
- SDG 2- Zero Hunger;
- SDG 5- Gender Equality;
- SDG 6- Clean Water and Sanitation;
- SDG13- Climate Action;
- SDG 15- Life on Land.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

# Renewable World

## Trustees' report

### Review of the year

2018/19 has been another year of financial and organisational stability, with continued expansion of our programmes, notably through the Jersey Overseas Aid funded SolarMUS III project, an achievement when set to a backdrop of tough fundraising. To maximise our effectiveness we continue to focus on proven solar technologies, community business models and geographical contexts, which are suitable for a small charity operating globally with tight resources.

### Highlights, achievements and performance

During the financial year, the Charity has achieved the following:

#### Programmes

- Launched our Carbon Offset programme, where funds based on the carbon emissions of corporate supporters are donated to Renewable World to offset to accredited clean energy projects. The first stage of which has seen us work in partnership with ClimateCare to support solar and clean cooking projects in China, India, Kenya, and Nepal. Units equivalent to 31,000 tonnes of Verified Emission Reductions (VERs) have been purchased. South Asia (Nepal And Bangladesh):
- Completed the technical installation, capacity building and agricultural training and handover of systems to the community at all 17 sites in our largest ever project, SolarMUS II (solar powered water pumping) funded in part by the Big Lottery Fund, local subsidies and community contributions. In total, helping 5,791 people, savings over a thousand hours of back breaking work per day, increasing agricultural incomes and pumping 285,000 litres of water per day.
- In January, our Nepal team jointly hosted a SolarMUS learning event with iDE Nepal, where local partners and government were presented with the results and learning of our completed water pumping and agricultural development programme. Over 80 people attended from international development, renewable energy and government stakeholders including the Alternative Energy Promotion Centre and Ministry for Agriculture.
- As technical experts to the UKAid funded Anukulan Project, a part of the global BRACED programme (Building Resilience and Adaptation to Climate Change and Disasters), led by iDE Nepal, we have provided further technical support and training to the ten communities and upgraded system technical performance and reliability.
- Commenced the first year of the third phase of our Nepal solar water pumping (SolarMUS) project, funded by Jersey Overseas Aid and the Unica Foundation. So far, we have installed one of four sites with good progress on three others and begun providing agricultural and water sanitation and hygiene training across eight communities.
- Commenced SECURE our first community owned and managed microgrid in Nepal in Surkhet district, including completion of feasibility and design phases. The microgrid connections have been expanded three-fold and will connect over 100 households and businesses thanks to higher than expected local subsidies and grants. It also connects a health centre and will power a flood warning systems, increasing resilience and benefiting over 4,000 people.
- Completed our technical input into the Powering Aquaculture project, led by iDE Bangladesh, supported the technical installation of two solar micro-grid and water pumping systems each serving one fish hatchery, replacing diesel water pumps with solar power and serving 38 households and six local enterprises.



# Renewable World

## Trustees' report

### Programmes (continued)

#### East Africa (Kenya):

- Completed the second stage of our Lighting up Lake Victoria programme introducing water pumping and irrigation at four communities where we had already installed community owned energy hubs (microgrids). We also supported with agricultural training and business development support for the predominantly women's agricultural groups.
- Commenced installation of phase II of our Kiwa project with an expanded microgrid, our largest, serving 50 additional homes and businesses. We supported a second agricultural group and technical infrastructure for irrigation and provision of ice making and cold storage for fish preservation. Altogether this project will benefit 1,282 people.
- Launched a new project to provide additional technical infrastructure and cost effective microgrid connections to 90 additional homes and businesses within the communities of Ragwe village, Mirunda beach, and Sika beach. In total this will bring our Kenyan microgrid connections up to 386. These will also be supported by further training, including on enterprise development.
- Performed, with our new partner TaTEDO, our first full feasibility study in six Tanzanian fishing communities bordering Kenya, as part of plans to expansion of our community microgrid programme around Lake Victoria.
- Supported our Kenyan implementing partner Renewable World East Africa (RWEA) with a £40,000 grant to enable the local team to delivery of our Energy Hub Programme and provided fundraising, governance, financial and programme management services to the value £48,395.
- Supported our local operating partner, Renewable World East Africa to develop its business plan to self-sufficiency, leading to the development of a new social enterprise company, Kijiji Power which aim to work in symbiosis with RWEA. Kijiji Power can access additional sources of funds, invest its own equity and generate revenues for services such as operations and maintenance where a non-profit cannot.

### Governance

- An Operations Committee consisting of three senior staff and three trustees focused on short terms priorities and decision making has met at least monthly.
- Programme, Finance and Fundraising committees have met most months.
- The Finance Committee and the Board reviewed the full charity risk register at the May and November Board of Trustees meetings.

### Fundraising

Our fundraising costs of £199,418 (2018: £176,060) are predominantly represented by the UK based fundraising team and come to 27% (22% in FY 17/18) of expenditure. The increase is due to investment in two new part time fundraising staff (equivalent to 1.2 full time persons from November 2018) to grow events and trust and foundation income. Being a relatively young and small charity, this percentage remains higher in the short term as we build up reserves and develop our project funding proposals. Once grant funding for scale is achieved in line with our strategy, fundraising costs will fall in proportion to total expenditure and income. Our notable fundraising successes for the year were:

- Received our third highest ever fundraising, trading and grant income, totalling £693,120 (2018: £694,455).
- Achieved our highest amount from Trusts and Foundations/Corporate Foundations income to date at £223,413, representing 29% of our total income and the largest source. This included new grants from the Unica Foundation and EKOEnergy.
- We received the second instalment of our grant from Jersey Overseas Aid for SolarMUS III, however grant income from institutional sources has fallen as our multi-year programmes completed in 2017 and 2018

# Renewable World

## Trustees' report

- Income from corporate sources has grown to 22% of total income.
- Secured and upgraded regular corporate giving through our friends within the renewable energy industry (EDF Renewables and RES Ltd) and other sectors (Rotork Engineering and HFW LLP).
- Hosted for the fourth year our boutique challenge event Earth Wind & Tyre, a challenging 200-mile cycle ride past onshore wind farms, where 56 participants raised a record amount of £82,115 including gift aid and generous £21,850 of corporate sponsorship. The income for the 2018 event was received over the FY18/19 and prior financial year.
- Introduced a Carbon Offset corporate donor product which generated £112,400 of revenue.
- In March 2019 we launched a new partnership with Octopus Energy, a major UK energy retailer, specialising clean electricity supply. This partnership has two key elements (i) cross marketing (ii) Carbon Offset the carbon output used by Octopus Super Green Gas Tariff customers to bring innovative renewable energy technology to fuel-poor communities worldwide.
- In December 2018, over 80 people attended our 10-year Impact Report launch hosted by HFW LLP and compered by TV personality and charity ambassador Gethin Jones. This was an opportunity for supporters to develop a deeper understanding of our work and future direction. The Impact Report explains our work in numbers and narrative is available online at our website.



# Renewable World

## Trustees' report

### Financial review

The steady growth in the Charity's organisational capacity over the last four years is reflected in a consistent and stable set of financial results for the year.

Total income is up slightly at £763,455 (2018: £749,823). Voluntary income is up slightly to £693,120 from £683,823 in 2018, making it the second highest in Renewable World's history. This increase due mainly to the new income stream of Carbon Offset, (£112,400) balanced by a fall in large multi-year project grants. Whilst grant income is down, underlying non-grant income was stronger for the second year in a row with our vital unrestricted voluntary income growing 23% to £352,937 (2018: £286,865). It also continues the long-term trend and our objective to grow a diverse income base by donor and income source, strengthening resilience from which to grow the organisation. Trading income remained stable at £34,951. Overall total unrestricted income increased from £352,865 to £436,493.

Total charity expenditure is down 7% to £752,388 (2018 £ £808,490). The proportion of spend on charitable activities over total expenditure has fallen to £505,718 (2018: £564,191) being 67% (2018: 70%) of total expenditure as we start a new phase of programmes in Nepal and Kenya. Charity overheads which include all fundraising costs and governance costs are steady at £246,670 (2018: £244,299) as we invest in our capacity to raise funds and are at 33% (2018: 30%) of total expenditure.

Staff costs of our global team, including those responsible for delivering our programmes, make up Renewable World's biggest costs category. The average number of staff throughout the year was 16 (2018: 16) using a headcount basis. Staff costs continue to be carefully managed across all categories and have stabilised, through cost effective recruitment. UK and Nepal salary costs have increased in line with local inflation only. Overall there is a small fall in total staff costs from £320,002 to £316,878

Sterling, whilst volatile, has gradually recovered some of the lost 20% value that hit us so hard in 2016 against key currencies. Where possible we continue to mitigate against unfavourable currency movements through hedging immediate commitments with currency forward contracts and transferring grant funds into currency or regional programme bank accounts swiftly. Whilst this reduces risk it also has the result of reducing any gain we might achieve on sterling appreciation. Overall, we have had a gain on foreign exchange of £2,373 compare to a loss in 2018 of £12,080.

Our restricted reserves follow the cycle of programme delivery and funding and are up from £202,476 to £243,213 as we have commenced three new programmes in 2018/19, all funded in advance of costs incurred. Through diligent financial management, we have kept our general unrestricted reserves at equivalent to three month's operational funds at £97,806 (2018: £125,103) despite huge cyclical challenges as large programmes completed in and the external environment for fundraising continues to be challenging for small international non-profits. Vitality we have increased our unrestricted cash held from £93,451 to £98,449.

# Renewable World

## Trustees' report

### **Plans for the future**

Our immediate focus will be on reaching our 2022 goal of providing access to energy for the next 60,000 poor people and its broader impactful benefits as defined by the Sustainable Development Goals. Our programme is largely already designed, based on our experience and proven work, so our focus will be on fundraising and building the strategic partnerships for growth in East Africa and Nepal. We will continue to target delivery within poor communities who are without access to energy and who have little prospect of inclusive energy provision. This means more connections and energy provision in last mile, remote and rural communities. By connecting community institutions such as schools and health posts, the whole community can benefit. We will also ensure our project provision goes beyond just connections and provide energy and training for those outside village centres where it is not cost effective to connect them to a microgrid, biogas or water system. We aim to work more with those often-excluded community members such as young women, women-headed households, people with disability, and people living with HIV, to be pivotal project stakeholders and beneficiaries.

The above will require huge efforts in fundraising to grow, within an increasingly tough fundraising environment. In response we will continue our diversified approach to income streams (individuals, corporates, trust and foundations and government agencies), with a continued emphasis on well-aligned partners and funders.

Building on our existing partnerships with Octopus Energy and ClimateCare we will work towards achieving Gold Standard certification where appropriate within our programme. This will allow our supporters and partners to utilise the carbon offsetting scheme to directly benefit our global programme.

# Renewable World

## Trustees' report

### Public benefit test

To date, Renewable World has reached 39,461 direct beneficiaries through the provision of clean energy systems, training. Projects completed in 2018 contributed to 8,303 of these. Multi-year projects commenced in 2018/19 in Kenya and Nepal will reach a further 9,000 direct beneficiaries.

During 2018-19 the main activities undertaken by the charity to carry out its charitable purposes (see Objectives and Aims above) for the public benefit are as follows:

- Established and supported community owned energy systems:
  - Solar powered water pumping and irrigation systems in Nepal
  - Solar powered micro-grids “Energy Hubs” in Kenya.
  - Solar powered micro-grids in Bangladesh.
- Established community owned clean energy organisations, including provision of financial and governance training.
- Provided agricultural and enterprise training to four groups in Kenya and 17 groups in Nepal.
- Provided technology and maintenance training.
- Through our Carbon Offset fund purchased credits in Gold Standard accredited carbon offset clean energy projects in China, India, Kenya and Nepal.
- Undertaken feasibility analysis, community needs research and design for a wide range of future projects in Nepal, Kenya and Tanzania.

The Trustees have complied with their duty to have due regard to the Charity Commission’s public benefit guidance when exercising any powers or duties to which the guidance is relevant.

### Internal controls

In recognition of its responsibilities for the Charity's system of internal control, the Board of Trustees has established control systems that aim, in part, to provide reasonable but not absolute assurances against material misstatement or loss. The controls in place include:

- Authorisation controls by responsible personnel to ensure that only transactions which are necessary and fall within the scope of the company's operations are undertaken, and that alterations or amendments to existing company records are properly authorised;
- Recording controls that ensure that only authorised transactions are taken into the accounting records. Elements of these controls comprise segregation of duties among personnel and checking reports against input source documents;
- Employment of suitably qualified and experienced staff to take responsibility for the key areas of the Charity’s business;
- Preparation of forecasts and budgets which allow the Trustees and Senior Management Team to monitor the key business risks and financial objectives and identify variances.

The Trustees have reviewed and continue to review the effectiveness of the system of internal control through delegated authority to appropriate personnel. The reviews carried out in the financial year ended 31 March 2019 have not revealed any weaknesses in internal control resulting in repeated losses, contingencies or uncertainties which the Trustees regard as material therefore requiring disclosure in the financial statements or the Independent Examiner’s report on the financial statements.