

Renewable World

TACKLING POVERTY THROUGH RENEWABLE ENERGY

Directors' and Trustees' Report and Financial Statements

For the year ended 31 March 2020

Company Registration Number: 06005778

Charity Number: 1119467

Renewable World

Directors' report and financial statements

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Directors and other information

Directors and Trustees

Catherine Adams (Treasurer)
Stephen Balint (Chair resigned 19th November 2019)
Sarah Donnelly (Vice-Chair)
Patrick Davis
Diana Du Luart (“Diana France”) (appointed 11th August 20)
Claire Hancock
Neil Pinto (Chair from 20th November 2019)
Alexandra Poole (appointed 19th November 2019)
Marc Monsarrat
Christopher Morgan
Stephen Walker (appointed 5th July 2019)
Peter Weston

Secretary Matthew Stubberfield

Key management personnel:

Senior Managers

Chief Executive Officer Matthew Stubberfield
Head of Fundraising 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

Auditors 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 2020. 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 Chief Executive Officer and 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 years' 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 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 Managers 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 11 to the accounts.

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

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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 funding, capacity building and knowledge sharing to enhance effective implementation of off-grid renewable energy services using appropriate technology. Projects are designed with the needs of communities first in a bottom-up demand led approach to ensure they are appropriate for their needs. We also work with national and local governments to influence policy and obtain funding. Technical design, delivery and construction are usually led and undertaken by local private companies working on the requirements of Renewable World.

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. We have already halfway there and have reached over 50,000 direct beneficiaries through our work. Our fully designed and mostly fully funded Nepal programme starting in 2020 will ensure we achieve this. This new programme has built on learning from the pilots in our community microgrids, biogas and community solar water pumping in Kenya and Nepal. Within Kenya we remain committed to learn from our microgrid and livelihoods work and expand our access to energy for poor fishing communities.

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:

SDG Goal # 1: End poverty in all its forms everywhere

SDG Goal # 5: Achieve gender equality and empower all women and girls

SDG Goal # 13: Take urgent action to combat climate change and its impacts

SDG Goal # 16: Promote just, peaceful and inclusive societies

In addition the following four SDGs are contributed by particular projects and their objectives.

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Agriculture: SDG Goal # 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Health: SDG Goal # 3: Ensure healthy lives and promote well-being for all at all ages

Education: SDG Goal # 4: Ensure inclusive and quality education for all and promote lifelong learning

Wash: SDG Goal # 6: Ensure access to water and sanitation for all

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.

Review of the year

2019/20 has been the most successful year in fundraising and financial terms. The investment in fundraising made two and three years ago has begun to pay off with six new projects receiving substantial funding commitments and scheduled to start in Nepal during 2020 helping another 50,000 people.

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

- Grown 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 85,257 tonnes (2019: 31,000 tonnes) of Verified Emission Reductions (VERs) have been purchased. The second stage to develop and certify our own programme within Kenya and Nepal is now underway.

South Asia (Nepal):

- Continued the third phase of our three-year Nepal solar water pumping (SolarMUS) programme, funded by Jersey Overseas Aid and the Unica Foundation. We extended the original scope of the programme from four to six new solar water pumping systems to be installed. The project has also provided additional capacity building and training in agricultural techniques and Water, Sanitation and Hygiene (WASH) to four additional communities previously supported through SolarMUS 2. So far, we have completed technical installation at one site with construction underway at five sites. We have provided agricultural and water sanitation and hygiene training across all ten communities.
- Continued delivering our microgrid Solar Energy for Community Resilience in Nepal (SECURE) project. An amendment to the project was necessary resulting in the three components of the project being split out into individual stand alone components. Two out of three components of the project have been completed. A stand alone solar energy system for a community health centre has been installed providing improved health care services to over 2,500 people. A standalone solar-powered flood warning system has been installed providing early warnings for natural disasters across three communities. Groundwork has been completed for the installation of a solar micro-grid aimed at connecting 33 households and enterprises.
- Conducted scoping and design studies to support programme development and bid-writing resulting in six new projects being confirmed for funding to begin in FY2020/21. These new projects are building on existing programmes that use tried-and-tested technology, as well as

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Programmes (continued)

- piloting new and innovative renewable energy solutions and that reach new beneficiary groups. Over the course of the next three years, we expect to reach nearly 50,000 Nepali individuals with life-changing renewable energy technology. Using clean energy as the catalyst, each new project aims to deliver at least one of the following four main themes: improving health and resilience; improving livelihoods and income generation; improving access to education; and improving water, sanitation and hygiene practices (WASH). The total value of the new programme is £2,837,449 with a grant value of £2,257,480.

East Africa (Kenya):

- Installed a second Microgrid within Kiwa Island on Lake Victoria supporting 50 new households and businesses bringing the total number of connections in Kiwa community to 105. Commissioned, designed and installed a bespoke flake ice-making machine compatible with a solar microgrid and capable of generating 400kgs of ice per day for fish preservation. Supported the formation of a local icemaking cooperative, led and staffed by women. To ensure sustainability of the business connections and agricultural groups we have started to build the capacity of the local community through entrepreneurship and financial literacy training. The target of the project is to benefit 1,282 people.
- Initiated field work and community mapping to support the technical instillation of up to 75 cost effective new electrical connections in three communities with an existing microgrid. In total this will bring our Kenyan microgrid connections up to 371. These communities will be supported with capacity building training on entrepreneurship, financial literacy and governance. These will also be supported by further training for capacity building and project sustainability, including on enterprise and financial literacy.
- We have recently identified that progress in the Energy Hubs Optimisation Project has not met the expected milestones and are undertaking an investigation as to the cause and the extent to which the local partner has complied in full with its contractual obligations. The amount owed to Renewable World under this contract is estimated at £31,597 based on reporting, but could be as high as £45,000. Pending investigation of possible financial irregularities, we have requested return of all funds which have not been applied in meeting those milestones. If adequate steps are not taken by our local partner to remedy the situation, Renewable World intends to complete the projects to the original specification, using our own resources and/or with the help of new local partners.

Kenya Programme Development:

Renewable World have been working with INGO partners Hivos, with the aim to undertake a scale up of our RESOLVE programme, focussing initially on bringing power, through Microgrids, to minimum of 10 new communities within the Lake Victoria Region in Kenya.

Governance

- An Operations Committee consisting of the Senior Managers and a minimum of three trustees, including the Chair and Treasurer is focused on short terms priorities and decision making has met at least monthly.
- Programme and Fundraising committees have met regularly.
- The Finance Committee or Operations Committee of the Board reviewed the full charity risk register at the May and November Board of Trustees meetings. The Finance Committee has also met to approve the annual report and accounts and annual budget.
- The Remuneration Committee consisting of Trustees only met in February to approve the staff salary budget.

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Fundraising

This year was a phenomenal year for fundraising at Renewable World and our investment in fundraising and programme development capacity is beginning to bear fruit. For the first time in Renewable World's history, we received over £1 million in income in a single financial year. This means that we are able to start six new programmes in Nepal in the coming year and begin work to expand our programme in Kenya. Highlights include:

- We achieved our highest overall income of £1,015,848 (2019 £763,455, an increase of 33%)
- We achieved our highest level of support from Trusts and Foundations/Corporate Foundations, with income to date at £315,881 representing 31% of our total income and the largest source. This included significant new grants from the Happold Foundation, innocent Foundation, Next Energy Foundation and the Rogovy Foundation and continued grants from MCFEA and the Unica Foundation.
- We have secured funds for our biggest ever project due to start mid-2020. The Renewable Energy Access for Livelihoods in fragile Buffer Zones Nepal (REALiZE Nepal) will be funded by Jersey Overseas Aid with a grant of over c£700k over four years.
- Income from corporate sources reached its highest level ever at £430,239 (including carbon offsetting) and has grown to 42% of total income.
- Our new fundraising partnership with the Beazley Group, a major global insurance company, is our largest corporate fundraising partner. We have also continued to upgrade regular corporate giving through our friends within the renewable energy industry (EDF Renewables and RES Ltd) and other sectors (Acre Properties and HFW LLP).
- We hosted for the fifth year our boutique event Earth Wind & Tyre, a challenging 200-mile cycle ride past onshore wind farms, that raised a total of £78,004 for vital Renewable World work.
- We continued to work with Octopus Energy, a major UK energy retailer, specialising in clean electricity supply and working with carbon offsetting experts ClimateCare, we curated a portfolio of projects that offset 84,000 tonnes of carbon generated by Octopus Super Green Gas Tariff customers in 2019/20. This will bring innovative renewable energy technology to fuel-poor communities worldwide.
- We held our inaugural Nepal Experience that raised £22,500 and gave guests an unforgettable insight into our solar water pumping programme in the Surkhet region of Nepal.
- In November 2019, we celebrated the year's achievements with a reception at the flagship store in Regent Street, London of new campaign partners #Togetherband. We are proud to be the chosen charity of Global Goal 7 – access to energy for all, within their campaign to highlight the United Nation's Sustainable Development Goals.

Our fundraising costs of £166,415 (2019: £199,418) are predominantly represented by the UK-based fundraising team and comes to 16% of total income (2019: 28%) and 19% (2019: 27%) of total expenditure.

The fundraising cost reduction, compared to 2018/19, is due to the success of our investment in fundraising and programme development and the increased income we have achieved. The biggest gains in the fundraising cost ratio against income will be seen in the next two years, with our increased programmatic activity. We are happy that this ratio is both a realistic and accurate reflection of the investment we have made to ensure we reach our goal of bringing access to energy to 100,000 people by 2022.

Communications with our friends and supporters is critical and we are proud of our newly launched website that was developed in-house and at minimal cost. With the recruitment of a Trustee with specialist marketing and communications experience, we continue to ramp up our reach to ensure that our audiences take action to bring access to energy to those that need it most.

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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 to £1,015,848 (2019: £763,455), making it the highest in Renewable World's history. This increase is due mainly to growth in the relatively new income stream of Carbon Offset £262,969 (2019: £104,400) balanced by a temporary fall in multi-year project grants.

Whilst grant income is temporarily down in this financial year, with six new programmes starting in Nepal in 2020, we are anticipating grant income to increase in the next financial year. Overall total unrestricted income of £416,534 is down on last year (2019 £436,493) but is stable in core income streams and at a sustainable and replicable level. Unrestricted voluntary income increased to £405,226 (2019: £352,937) whilst Trading income decreased to £10,938 (2019: £34,951). There were no Other income resources as our services to partner led projects completed in 2019.

Total charity expenditure is up 18% to £888,570 (2019 £ £752,388) but less than the 33% increase in income. The proportion of spend on charitable activities over total expenditure has increased to £651,151 (2019: £505,718) being 74% (2019: 67%) 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 have decreased to £234,420 (2019: £246,670) and are at 26% (2019: 33%) 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 14 (2019: 15) using a headcount basis. Staff costs continue to be carefully managed across all categories. Salaries for existing staff positions in UK and Nepal salary costs have increased in line with local inflation only. Investment made in 2018 and 2019 in new senior fundraising, programme development and partnership roles contribute to the increase in total staff costs from £316,878 to £375,503.

Sterling remained volatile throughout the year impacting our Nepal and Kenya project and delivery costs. Where possible we mitigated 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 loss on foreign exchange of £5,819 (2019: gain of £2,373). Despite the overall loss we are very grateful to Jersey Overseas Aid for permitting us to spend the realised gain on their grant component within the project activities for SolarMUS III.

Our restricted reserves follow the cycle of programme delivery and funding and are up from £243,213 to £343,036 as we commence three new Nepal programmes in 2020, post financial year, all funded in advance of costs incurred. Through diligent financial management, we have grown our general unrestricted reserves at equivalent to over four month's operational funds at £122,442 (2019: £97,806) despite huge cyclical challenges in the external environment and long-term constraints in fundraising for small international non-profits. Vitality we have increased our unrestricted cash held from £98,449 to £127,009 which should sustain us over the challenging next financial year.

COVID 19

Renewable World is a global charity with several projects in Nepal and Kenya and therefore affected by the emerging COVID -19 pandemic.

In mid-March we suspended international, national and then local travel by our teams. On 17th March the UK office was closed followed within a week by our Nepal and Kenya offices. All members of staff have continued to work very effectively from home.

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In late March, an emergency cost saving budget was introduced and presented to the Board after scenario planning and reforecasting our income and cashflow. We have paused discretionary expenditure, recruitment of staff not covered by project funds, reduced pay and hours for UK team members by 10%, and Furloughed several members of staff. These actions will be sufficient to deal with a 6 months disruption scenario with a back to normal in autumn 2020.

We are fortunate with the timing in that with most programme nearing completion or about to commence the impact has on our projects has not been too severe. Our assessment is that if regional team can get back to work in the autumn of 2020 the impact will be minimal, although equivalent no-cost project timeline extensions will be required on several projects. In conjunction with our local delivery partners we are currently working on operating procedures which including principles and guidelines to help staff work safely and protect beneficiaries.

Plans for the future

In 2020 we shall embark on six new Nepal Programme which will complete up to 2024 which is funded substantially by committed grants. It will be necessary to secure funding gaps in that year and subsequent three years. This Nepal programme can be broadly divided into Water and Sanitation and Agricultural livelihood projects. Solar Water pumping is the backbone, but we have introduced new technologies to act as catalysts and extended our experience with biodigesters.

This new Nepal 2020 programme will ensure we achieve our goal of providing access to energy for a total of 100,000 poor people by 2022 and its broader impactful benefits as defined by the Sustainable Development Goals. Our focus in Nepal moves from the project design and fundraising undertaken in 2019/20 to project implementation. With Covid 19 our timing is somewhat uncertain due to travel restriction, but our plans are firm and we are ready to go to the field and able to do significant work remotely within Nepal and the global team.

In Kenya our focus is with our new regional Partnership Manager on building partnerships, strengthening resources and designing new impactful programmes. Our new programme will be based on our experience and proven work in improving the livelihoods for people in fishing communities. 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. Taking learning from Nepal we are targeting connecting community institutions such as schools and health posts, therefore 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 continue to 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.

Public benefit test

To date, Renewable World has reached 51,071 (2019: 39,461) beneficiaries through the provision of clean energy systems and associated capacity building. Projects completed or substantially progressed in 2019/20 contributed to 11,740 of these.

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During 2019-20 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
 - Stand-alone solar power system for community health post in Nepal
 - Stand-alone solar powered flood warning system in Nepal
 - Solar powered micro-grids and ice making machine in Kenya.
- Established community owned clean energy organisations, including provision of financial and governance training.
- Provided agricultural and enterprise training to four groups in Kenya and 10 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 and Kenya

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 2020 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 Auditor's report on the financial statements.

Risk statement

The Board of Trustees regularly reviews the major risks, in the form of a risk register, to which the charity is exposed. Internal risks are minimised by regular review of transactions and programme activity to ensure consistent quality of delivery for all operational aspects of the Charity, by employing suitably skilled and qualified personnel, and by putting into place clear strategic and business plans. In accordance with our risk policy a risk register which incorporates financial, programmatic and systematic risks to the organisation was reviewed at the 21st May 2019 and 19th November 2019 Board meetings. Further, individual risks are discussed at Board or Committee meetings as allocated, where more time will be allocated for detailed review and discussion.

Our principal risks and how we address them

The following have been identified as our four principal risks:

1. Prolonged effects of the Covid 19 pandemic

- a. reduces our ability to deliver programmes and operate effectively as a team; and
- b. impacts the health of our staff or beneficiaries due to our work.

We continue to work with our local partners to find new and innovative way of safely ensuring we deliver the beneficial effects of clean energy to poor communities. In response we have developed four guiding principles to apply to our work:

- Follow national guidelines and authorization
- Apply a "needs led" approach to prioritizing work
- Carry out our work in the safest way possible
- Be flexible and apply adaptable approaches to work

Detailed guidelines in three areas are being developed (i) field operational guidelines (ii) RW office operational guidelines and (iii) project staff relocation guidelines. These will be applied over five working phases, with the first phase commenced where locally based partner staff commence essential work.

2. Loss of key donor or donor group due to economic recession

In response to Covid 19 we have adjusted our expenditure and project activity plan to ensure likely reduced or delayed income scenarios can be managed. We had already invested in experienced fundraising staff and our programme team are continually innovating our projects to broaden their donor appeal and impact to help more people. Each donor has an Account Manager with an account management plan to ensure timely project reports & updates to enable continued support and keep donors informed during these challenging times.

3. Exchange rate fluctuations and programme shortfalls

The majority of our programme funding is received in fixed value sterling grants, whilst our programmatic costs are for our local partners and staff which are paid in local currency. We have found that exchange rate losses and gains can fluctuate widely in the regions we work, especially Nepal and Kenya, and due to sterling instability. The Board has agreed an appropriate hedging and currency holding policy to reduce and manage exchange rate risk in line with programme activity.

We may also be exposed to programme shortfalls or a delay whilst new donors are sought requiring matched or interim funding from general reserves.

4. Safeguarding

We operate in communities where there are sometimes vulnerable adults and children who benefit from our projects. We therefore have a duty to ensure they are protected from any harm arising from the implementation of our projects. We also run fundraising events where we may encounter such vulnerable people. We have already updated our Safeguarding policies and written new procedures in early 2020 and commenced safeguarding training roll-out. We intend to provide further external training and a fully policy suite review before staff return to field work or events work.

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Investment powers and policy

Due to the relatively low levels of funds, the Trustees have deemed it inappropriate to make long-term investments, and all funds are held in a portfolio of current and deposit bank accounts split between restricted and unrestricted funds.

Grant making policy

The Charity makes grants to implementing partners supporting our projects, as well as a range of capacity building interventions so that our work supports the development of communities to the point where they have the capacity to generate and sell energy. The Charity has a comprehensive selection process that includes the following key steps:

- Approval of all new partners by the Regional Manager and a member of the Senior Management Team.
- A Concept Note or Project Business Plan with a budget is jointly prepared by the partner and Renewable World in a collaborative process of exchanging ideas, sharing skills and data and presented to the Programmes Committee of the Board for sign-off.
- If an RW led opportunity is proposed, approval to apply for funding is granted by the Fundraising Committee.
- If funding is successful, Project Co-operation Agreements defining project budgets and deliverables is signed between partners.
- Purchase orders raised and partner claims lodged are subject to Renewable World programme team approval.
- Quarterly project financial review against budget.

These steps ensure that accountability and transparency is maintained. Grant renewal is always subject to performance, review and planning.

Reserves policy

As of 31 March 2020, the Charity had total funds of £418,040 (2019 £347,987) on a cash basis.

Restricted programme cash funds held were £291,031 (2019: £249,538). The majority of these funds are for our Nepal programme which includes the existing Solar MUS III programme as well as the new Nepal programmes where funds were received just before the year-end. There is no policy to hold restricted funds beyond the time that a project or programme is fully funded, and the conditions are suitable for project commencement.

Unrestricted cash reserves of £127,009 (2019: £98,449), equivalent to four months operating expenses were held. These were free reserves not including other restricted funds held or fixed assets.

Recognising the difficult external funding and operating environment in which the Charity operates the Trustees deem it prudent to target a cash reserve that is, adjusted to their assessment of risk, particularly to future income streams. This flexible reserve target will be broadly equivalent to three to six months operating costs.

The trustees have not designated any funds for any purpose this year. There are also no other commitments that reduce the free reserves figure above.

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Going concern

As set out above as of 31 March 2020 the Charity had cash reserves of £127,009 (2019: £98,449), equivalent to four month's operating expenses. These were free reserves not including other restricted funds held or fixed assets.

Through the monthly review of management accounts, the Operations and Finance Committee meetings and the close cooperation between the Treasurer and the staff members responsible for finance, the trustees regularly review future anticipated donations and expenditure and are satisfied that there is no going concern issue. The Board has taken additional consideration of the impact of Covid 19 disruption to fundraising and our programmes and operations. The Board believes that forecasting and planning adequately takes account of the most likely scenarios and that Renewable World will remain a Going Concern.

The Board of Trustees is of the opinion that Renewable World has adequate resources to continue its operations for the foreseeable future.

Disclosure of information to auditors

We, the trustees of the charity who held office at the date of the approval of these financial statements as set out on page 1, each confirm, so far as we are aware, that:

- there is no relevant audit information of which the charity's auditors are unaware; and
- we have taken all the steps that we ought to have taken as trustees in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

On behalf of the board



Neil Pinto
Chair
4th September 2020



Catherine Adams
Treasurer
4th September 2020

Renewable World

Statement of Trustees' responsibilities

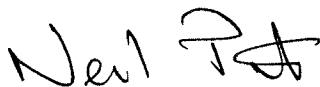
The Trustees (who are also directors of Renewable World for the purpose of Company Law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law and the Charities Act 2011 as applied by the articles of association of the charitable company 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011 as applied by the articles of association of the charitable company. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 4th September 2020 and signed on their behalf, by:



Neil Pinto
Chair



Catherine Adams
Treasurer

Renewable World

Independent Auditor's Report to the Trustees of Renewable World

Opinion

We have audited the financial statements of Renewable World (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material

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misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matters

The prior year financial statements of the company for the year ended 31 March 2019 were not audited. Accordingly, the corresponding figures presented as part of the financial statements of the charitable company for the year ended 31 March 2020 are unaudited.

Use of our report

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

Kreston Reeves LLP

Robert Sellers FCCA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Canterbury

Date *7 SEPTEMBER 2020*

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Statement of accounting policies

Legal status of the entity

Renewable World is a company limited by guarantee. The registration number is 06005778 and the date of registration was 15th December 2006. Renewable World is also a registered charity with the Charities Commission of England and Wales. The charity registration number is 1119467 and the date of registration was 4th June 2007. 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.

Basis of preparation

The accounts are prepared under the historical cost convention and include the results of the Charity's operations which are described in the Directors' and Trustees' Report, all of which are continuing.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015 applicable Accounting and Reporting by Charities the Companies Act 2006 and the Charities Act 2011.

RW meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

As the prior year financial statements of the charity were not audited, the prior year comparative figures of the charity for the year ended 31 March 2019 are unaudited.

Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Computer equipment	3 years - straight line basis
Furniture and fixtures	3 years - straight line basis